

July 29, 2022

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: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a>	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: <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a>
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**Sub.: Notice of the 65<sup>th</sup> AGM to be held on August 25, 2022**

Dear Sir,

Pursuant to the Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") this is to inform you that the 65<sup>th</sup> Annual General Meeting of the members of Clariant Chemicals (India) Limited will be held at 4:00 p.m. on Thursday, August 25, 2022, through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 19, 2022 to Thursday, August 25, 2022 (Both Days Inclusive).

The Annual Report of the Company along with the Notice of the 65<sup>th</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**

**Amees Joshi**  
Company Secretary

Encl.: As above

A stylized tree with a green base growing from a mound of dark soil. The trunk and branches are composed of fine, overlapping lines in various colors including purple, blue, yellow, red, and orange, creating a vibrant, multi-colored effect. The background is a light, pale green gradient.

# **BRIGHTENING UP THE WORLD WITH COLOURS**





The cover of this year's annual report depicts the company's growth from a tiny seedling into a blossoming tree. The image depicts a vibrant and colourful future. It signifies how the company is brightening lives with **COLOUR** while adopting sustainable business practices.

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# BOARD OF DIRECTORS



**MR. RAVI KAPOOR**  
Chairman (Non-Executive)  
(w.e.f. April 23, 2022)



**MR. BHARATH R. SESHA**  
Managing Director  
(w.e.f. April 23, 2022)



**MR. KEWAL HANDA**  
Non-Executive  
(Independent Director)



**MR. SUNIRMAL TALUKDAR**  
Non-Executive  
(Independent Director)



**DR. (MRS.) INDU SHAHANI**  
Non-Executive  
(Independent Director)



**MR. ABHIJIT NAIK**  
Whole Time Director  
(w.e.f. April 23, 2022)

**MR. ALFRED MUENCH**  
Non-Executive Director  
(till April 23, 2022)

**MR. THOMAS WENGER**  
Non-Executive Director  
(till April 23, 2022)

**MR. SANJAY GHADGE**  
Non-Executive Director  
(till April 23, 2022)

**CHIEF FINANCIAL OFFICER (INTERIM)**  
Ashish Agarwal  
(till April 20, 2022)

**COMPANY SECRETARY**  
Ameesh Joshi

**AUDITORS**  
MSKA & Associates

**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

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

Kudikadu, SIPCOT Post,  
Cuddalore - 607 005, Tamil Nadu

\*The Board has appointed Mr. Ravi Kapoor as the Chairman of the Company, in place of Mr. Kewal Handa, with effect from April 23, 2022. Mr. Kewal Handa continues to act as an Independent Director of the Company effective from April 23, 2022.



# CREATING VALUE FOR CUSTOMERS



filament yarns, we enhanced our Viscofil product range as part of our continuous improvement process by using ingredients that complied with the **OEKO-TEX®** requirements.

That's not all. We went a step further and proactively acquired the **ECO PASSPORT** certification, which simplifies our customers' process of obtaining **OEKO-TEX®** certification and also takes us closer to our own sustainability goals as a responsible corporate citizen.

The **ECO Passport by OEKO-TEX®** is an independent, multi-stage testing and certification system for chemicals, colourants and auxiliaries used to manufacture textiles and leather. The process verifies that chemical products and their ingredients meet specific requirements for safety, sustainability, and regulatory compliance.

<https://www.oeko-tex.com/en/about-us/references/manufacturer-references>

## HOSTAFINE®, THE PERFECT COLORANT FOR BRUSH PENS

Although traditionally, people have used brushes for colouring drawings and sketches, the process of dipping a brush into a pigment can be quite messy. In contrast, brush pens spare users the trouble of handling pigments. They are also much cheaper and more portable than speciality brushes. Moreover, they are available in a variety of synthetic tips that mimic the qualities of the bristles, both synthetic and natural (such as those made from the hair of an ox or camel), of a brush.

Undoubtedly, a brush pen's success depends on its ability to deliver long-lasting uniform colour strokes. And this is where our product, Hostafine, plays a vital role. Hostafine is the perfect colorant for brush pens because of its ultrafine particle size, wide compatibility with surfactants, non-settling behaviour, and intense colour strength. It's yet another of our product successes that let people experience the joy of colours.



## ECO PASSPORT-CERTIFIED VISCOFIL™ PIGMENT DISPERSIONS HELP TEXTILE MANUFACTURERS GO GREEN

At Clariant Chemicals (India) Limited, we are not only innovating green products and implementing sustainability in our own business but we are also enabling our customers to go green.

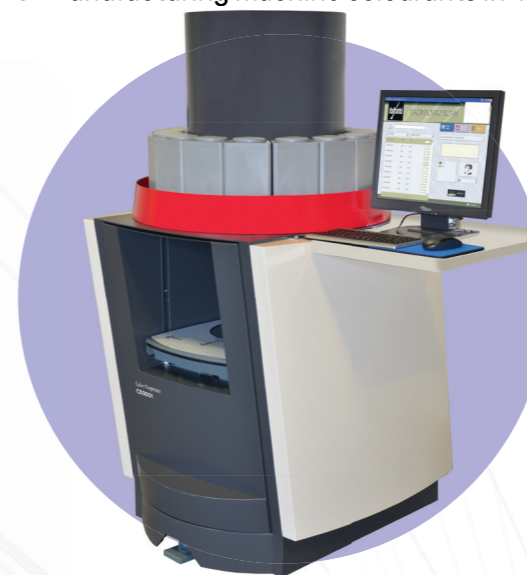
Take the case of textile brands and retailers. We realised early on that textile manufacturers were increasingly seeking **OEKO-TEX®** certification as a transparent and credible means of proving their sustainability achievements to their customers. Since our Viscofil pigment dispersions are used as colouring agents in viscose staple fibres and viscose

## GROWING PORTFOLIO OF APPROVED PIGMENTS FOR MACHINE COLOURANTS

Machine colourants, which are designed for volumetric tinting of water and solvent-based architectural surface coatings, are an important part of the paint business. They comprise a mix of glycol-based, binder-free pigment dispersions and non-ionic and anionic wetting and dispersing agents. And they're designed for exact and cost-effective colour reproducibility.

Paint companies typically manufacture machine colourants in-house or procure them locally. Some of our major paint customers in the India sub-region manufacture machine colourants in-house to optimise costs and gain the associated technological advantages such as improved washability resistance arising from lower colourant quantity requirements. In fact, our pigments such as PY74, PY83, PB15:3, PR188, PR168, PR122, PG7 and PV19 are considered the gold standard for machine colorants in the paints industry.

Now, this list has expanded as several leading paint companies recently approved some of our other products such as 5GX-IN, 2GX 70-IN, Green GNX, Red E5B 02, Yellow HR 70-IN, Red HMY-IN, and Blue BG for manufacturing machine colourants in-house.



## FOOD-SAFE PIGMENTS FOR NTK (NON-TOLUENE NON-KETONE) PACKAGING INKS HIT THE RIGHT SPOT

There's no compromising with safety when it comes to food. And that includes the printing ink used in food packaging. That's why the Government of India imposed a ban on toluene- and ketonic solvent-based packaging inks for food products last year.

In compliance with the new regulations, our customers who are ink manufacturers have changed the solvents used in packaging inks. This has worked in our favour since our products like Yellow PG 07-IN, Yellow P GRL 07 A-IN, Red FBB 07-IN, Rubine P-L6B-IN and Blue P-BX 02-IN are ideal for their new requirements. As a result, we have successfully added several leading ink manufacturers as customers for these products today.



## NEW PIGMENTS APPROVED FOR AUTOMOTIVE PAINTS

After an almost two-year-long hiatus owing to the COVID-19 pandemic, automotive companies are back in action, wooing customers with a spate of new two- and four-wheeler launches. The auto-makers' ability to offer their customers a plethora of colours to choose from for their dream vehicle plays a key role in automotive sales. That's why auto designers and manufacturers are always looking for new and unique shades for their upcoming models.

As a proactive supplier of pigments for automotive paints, we regularly interact with leading auto paint manufacturers to understand their requirements and suggest the right pigment grades or offer shade-matching solutions. Several of our high performance pigments (HPP) are popular with our automotive customers. It's not surprising, then, that they have recently approved our HPP pigments BT-729-D for four-wheelers and BT-627-D, Red F5RK-IN, Yellow H4G and Yellow HR 70-IN for two-wheelers.





# REACHING OUT TO THE COMMUNITY

Over the years, our community outreach programmes have focused on our three-pillar corporate social responsibility (CSR) strategy: Education with a focus on Chemistry, Health and safety, and Empowerment of women. The CSR teams at the Airoli head office in Navi Mumbai and Cuddalore, Nagda and Roha plant sites carefully evaluate our initiatives and, along with our employee volunteers, implement our programmes in collaboration with local government bodies, non-profit organisations and other related stakeholders. Our efforts this year also focused on Covid-19 relief measures.



Cuddalore-oxygen concentrators and masks distribution

## We undertook the following initiatives this year:

- Distributed over 11,000 boxes of face masks as Covid relief in nearby villages and among school children around all our sites
- Donated two multi-parameter monitors and four oxygen concentrators to health centres near our sites at Cuddalore and Roha
- To ensure that our neighbouring communities were safe during the Covid-19 upsurge, we sanitised a few villages on the request of the local gram panchayats
- Organised a vaccination camp for around 150 villagers at the Roha site at a time when Covid vaccine availability was constrained
- Donated a desktop computer to a village school in Runkheda and a laptop to the Durga Colony Village Women Committee in Nagda
- Covered medical expenses incurred by locals at the health centres in Roha during the second Covid wave. This activity was done in collaboration with other members of the Roha Industries Association (RIA)



- Built community toilets in Roth Budruk near Roha in keeping with our efforts to promote health and sanitation
- Provided a laser printer and chairs for a local panchayat office
- Organised potable water and food relief for flood-affected residents of Mahad in July 2021
- Distributed 1.2 tonnes of foodgrains in villages affected by the December 2021 floods in Tamil Nadu
- Provided laboratory chemicals and apparatus to two Zilla Parishad schools in Roha to enable children to conduct their chemistry and other science experiments
- Collected five cartons of clothes and other daily necessities during a flood relief donation campaign at the Airoli head office. All the materials were sent to flood-affected areas through the non-



profit, Goonj, with whom we have collaborated for several years now

- Screened a movie for the residents of the Airoli centre of Prem Daan, a home for specially challenged girls and women. Organised a similar activity for the children of MA Niketan, a home for less fortunate girls, in December 2021
- Repaired walls and floors of 16 damaged classrooms in various Zilla Parishad schools around the Nagda site
- Donated 52 benches and desks to two schools near Nagda. Also donated benches to a school near Roha.
- Repaired washrooms in Zilla Parishad schools for girls in Nagda
- Donated saplings to local Zilla Parishad schools at Unkheda and Naredi Pata in Nagda as part of our efforts to instil a love for nature in school children and also to beautify the school premises
- Donated medical books to a deserving and needy girl student in Nagda
- Constructed a laboratory at SND Kolad College to enable college students to perform experiments in a clean and conducive environment
- Donated one desktop computer each to two girls' colleges near Roha to strengthen their information technology infrastructure

We continue to monitor our various CSR initiatives and measure their outcomes to ensure better delivery and efficacy.





# AWARDS & RECOGNITION



## CUDDALORE - INDIAN CHEMICAL COUNCIL AWARD FOR EXCELLENCE IN MANAGEMENT OF HEALTH & SAFETY



## DYESTUFFS MANUFACTURERS ASSOCIATION OF INDIA (DMAI) AWARDS 2019-20, 2020-21, & 2021-22

- Award for excellent performance in the field of water conservation by a large-scale unit for the year 2019-2020
- Award for excellent performance in the field of pollution control by a large-scale unit for the year 2020-2021
- Award for excellent performance in the field of energy conservation by a large-scale unit for the year 2020-2021
- Award in recognition of excellent performance in pollution control by a large scale unit for 2021-2022
- Second award in recognition of excellent performance in safety & hazards control by a large scale unit for 2021-2022
- Award for excellent performance in water conservation by a large scale unit for 2021-2022

## CII SOUTHERN REGION EHS EXCELLENCE AWARD 2021

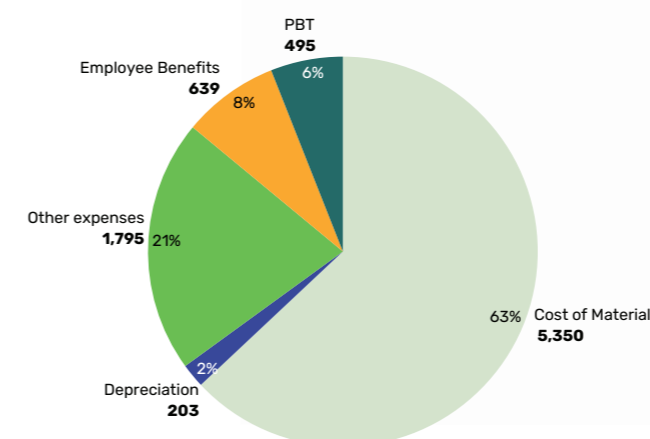
Cuddalore - Confederation of Indian Industry - Southern Region awarded the prestigious Silver Award 2021 for EHS leadership



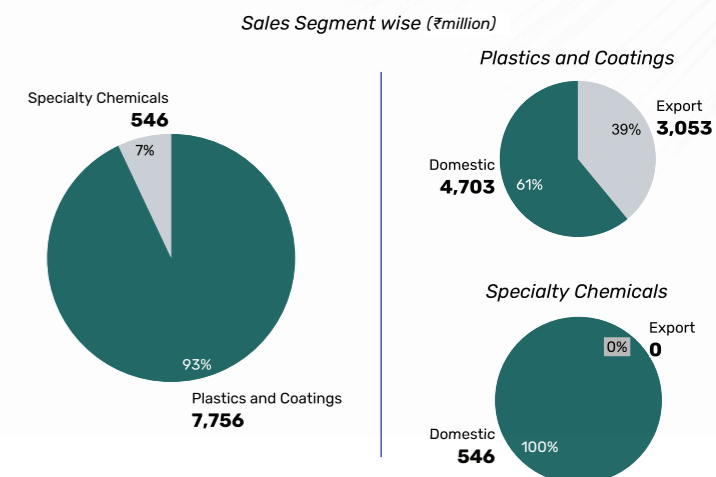
## CUDDALORE - NATIONAL SAFETY COUNCIL TAMIL NADU CHAPTER'S OCCUPATIONAL HEALTH, SAFETY, & ENVIRONMENT STAR AWARD 2020

# FINANCIAL PERFORMANCE

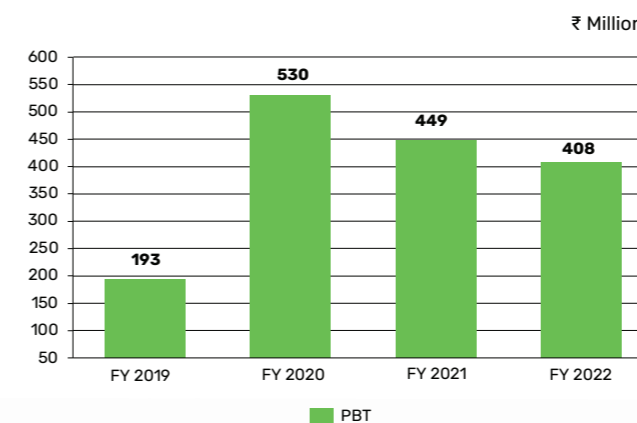
## DISTRIBUTION OF REVENUE FROM CONTINUING OPERATIONS (₹ MILLION)



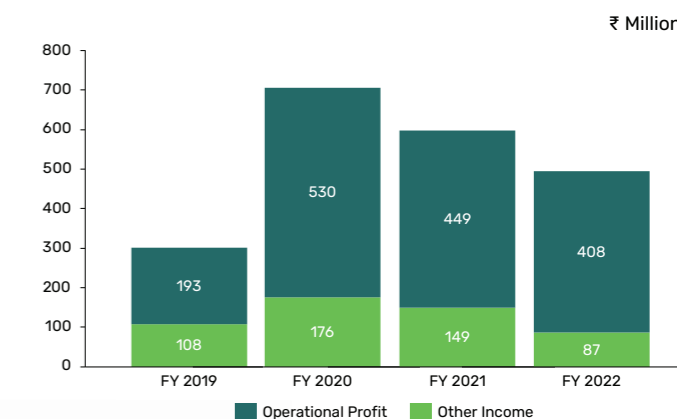
## COMPOSITION OF SALES FROM CONTINUING OPERATIONS



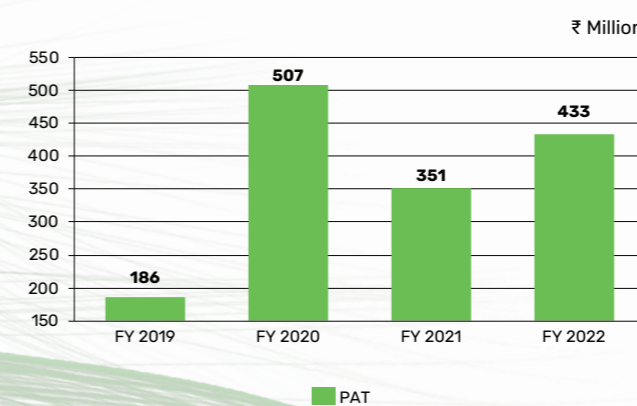
## OPERATIONAL PROFIT BEFORE TAX FROM CONTINUING AND DISCONTINUED OPERATIONS



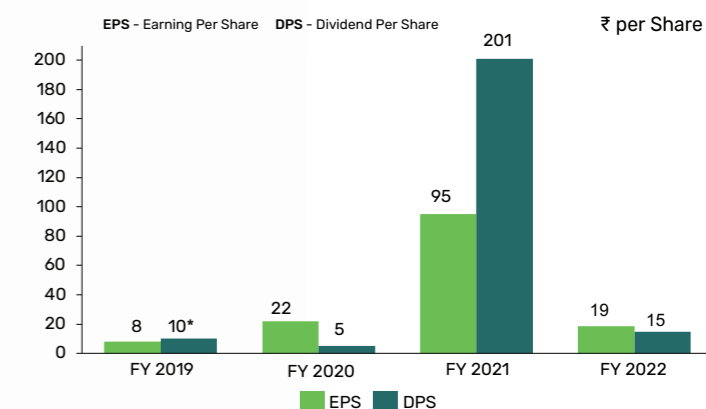
## PROFIT BEFORE TAX & EXCEPTIONAL ITEM SPLIT FROM CONTINUING AND DISCONTINUED OPERATIONS



## OPERATIONAL PROFIT AFTER TAX FROM CONTINUING AND DISCONTINUED OPERATIONS



## EPS AND DPS CONTINUING AND DISCONTINUED OPERATIONS



\* Interim and Proposed Final Dividend

DPS is based on actual payout



# NOTICE

**NOTICE** is hereby given that the **Sixty Fifth** Annual General Meeting ('AGM') of the Company will be held at 4:00 p.m. on Thursday, August 25, 2022, through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'), to transact the following business:

## ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022, together with the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Abhijit Naik (DIN 08097208) who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

- 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 2022-23 to conduct audit of Cost Accounts of the Company be hereby paid the Fees of ₹2.60 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 24, 2022

## 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. 3

The Board of Directors, on the recommendation of Audit Committee, considered and approved reappointment of M/s. RA & Co., Cost Accountants, for the conduct of the audit of the cost records of the Company for the Financial year 2022-23, at a remuneration of ₹2.60 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. 3 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 24, 2022

## Registered Office:

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

## NOTES:

- In view of the ongoing scare of a fresh wave of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its Circular No. 3/2022 dated May 5, 2022, read with Circular No. 20/2020 dated May 05, 2020, Circular No. 14/2020 dated April 08, 2020, and Circular No. 17/2020 dated April 13, 2020 (hereinafter collectively referred to as 'MCA Circulars') permitted the holding of Annual General Meeting through Video Conference (VC) or Other Audio-Visual Means (OAVM) without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
- The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the business set out under Item No. 3 is annexed to the Notice.
- Pursuant to the provisions of the Companies Act, 2013, 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. However, this AGM is being held, pursuant to the MCA Circulars, through VC/ OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [clariantscrutiniser@gmail.com](mailto:clariantscrutiniser@gmail.com) with copies marked to the Company at [investor.relations\\_india@clariant.com](mailto:investor.relations_india@clariant.com) and to the Registrar and Transfer Agents at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

- The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 19, 2022 to Thursday, August 25, 2022 (Both Days Inclusive).
- The details of Director seeking reappointment at this Annual General Meeting, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, is annexed hereto.
- The amount outstanding in the unpaid dividend accounts in respect of any Dividend declared earlier by the Company will be transferred to Investor and Education Protection Fund (IEPF) after completion of 7 years. Members who have still not claimed/ encashed their dividends are requested to claim/ encash the same at the earliest.
- 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, Maharashtra, 400 083**
- As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed Companies can be transferred, transmitted or transposed only in dematerialized form. 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.
- Members desirous of getting any information about the accounts and operations of the



Company are requested to send their query to [investor.relations\\_india@clariant.com](mailto:investor.relations_india@clariant.com) on or before August 15, 2022.

11. 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.
12. In compliance with the aforesaid MCA Circulars and circular issued by SEBI dated May 13, 2022 Notice of the Annual General Meeting along with the Annual Report for the Financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the Financial year 2021-22 will also be available on the Company's website [www.clariant.com/pigments](http://www.clariant.com/pigments); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively, and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in/>
13. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
15. **VOTING THROUGH ELECTRONIC MEANS:**

- a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the aforementioned Circulars, the Company is providing the facility of remote e-Voting to its members in respect of the business to be transacted at the AGM.

For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the

authorised agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by Link Intime.

- b) The members, whose names appear in the Register of Members/ Beneficial Owners as on August 18, 2022, are entitled to vote on the resolutions set forth in this notice. A person who is not a member as on the cutoff date should treat this notice of AGM for information purpose only.
- c) The remote e-Voting period begins on August 22, 2022 at 9:00 AM and ends on August 24, 2022 at 5:00 PM. The remote e-Voting module shall be disabled by Link Intime for voting thereafter. Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. August 18, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- d) In addition, the facility for voting through electronic voting system will also be made available during the AGM. Members attending the AGM, who have not casted their vote by remote e-Voting, will be eligible to cast their vote through e-Voting during the AGM.

Members who have voted through remote e-Voting will be eligible to attend the AGM, however, they will not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-Voting facility provided by the Company through Link Intime e-Voting system.

16. Instructions for e-Voting and joining the AGM are as follows:

**REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:**

**Shareholders are advised to update their Mobile No. and email address in their Demat Accounts to access e-Voting facility.**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

**A. INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS**

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ul>



Type of Shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) may login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ul>
<b>Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:</b>	<p>Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under: Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></p> <ol style="list-style-type: none"> <li>Click on <b>"Sign Up"</b> under <b>'SHARE HOLDER'</b> tab and register with your following details: - <ul style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.</li> <li><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ul> <p><i>*Shareholders holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</i></p> <p><i>*Shareholders holding shares in <b>NSDL form</b>, shall provide 'D' above</i></p> <ul style="list-style-type: none"> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click "confirm" (Your password is now generated).</li> </ul> </li> <li>Click on 'Login' under <b>'SHARE HOLDER'</b> tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on <b>'Submit'</b>.</li> </ol>

Type of Shareholders	Login Method
<b>Cast your vote electronically:</b>	<ol style="list-style-type: none"> <li>After successful login, you will be able to see the notification for e-voting. Select <b>'View'</b> icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option <b>'Favour / Against'</b> (If you wish to view the entire Resolution details, click on the <b>'View Resolution'</b> file link).</li> <li>After selecting the desired option i.e. Favour / Against, click on <b>'Submit'</b>. A confirmation box will be displayed. If you wish to confirm your vote, click on <b>'Yes'</b>, else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>
<b>Guidelines for Institutional shareholders:</b>	<p>Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.</p> <p>They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.</p>
<b>In case you have forgotten the Password</b>	
Type of shareholders	Method for retrieving the password
<b>Individual Shareholders holding securities in Physical mode has forgotten the password:</b>	<p>If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></p> <ul style="list-style-type: none"> <li>Click on <b>'Login'</b> under <b>'SHARE HOLDER'</b> tab and further Click <b>'forgot password?'</b></li> <li>Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".</li> </ul> <p><i>In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter.</i></p> <p><b>User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate):</b> Your User ID is Event No + Folio Number registered with the Company</p>
<b>Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:</b>	<p>Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.</p> <ul style="list-style-type: none"> <li>It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</li> <li>For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.</li> <li>During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".</li> </ul>



### Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22- 23058542-43

### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & eVoting service provider is Link Intime:

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-Voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: -

**Tel: 022 - 4918 6000**  
**InstaVote Support Desk**  
**Link Intime India Private Limited**

### B. INSTRUCTIONS FOR MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET (VC/OAVM) ARE AS UNDER:

- Facility for joining the Annual General Meeting through VC / OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and shall be kept open till the expiry of 15 minutes after the schedule time on first come first basis.
- Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors,

KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first come first basis. Participation is restricted upto 1000 members only.

- Shareholders/Members will be provided with the InstaMeet facility wherein they shall register their details and attend the Annual General Meeting as under:

- Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- > Select the "Company" and 'Event Date' and register with your following details: -

- Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

- PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.

- Mobile No.:** Enter your mobile number.

- Email ID:** Enter your email id, as recorded with your DP/Company.

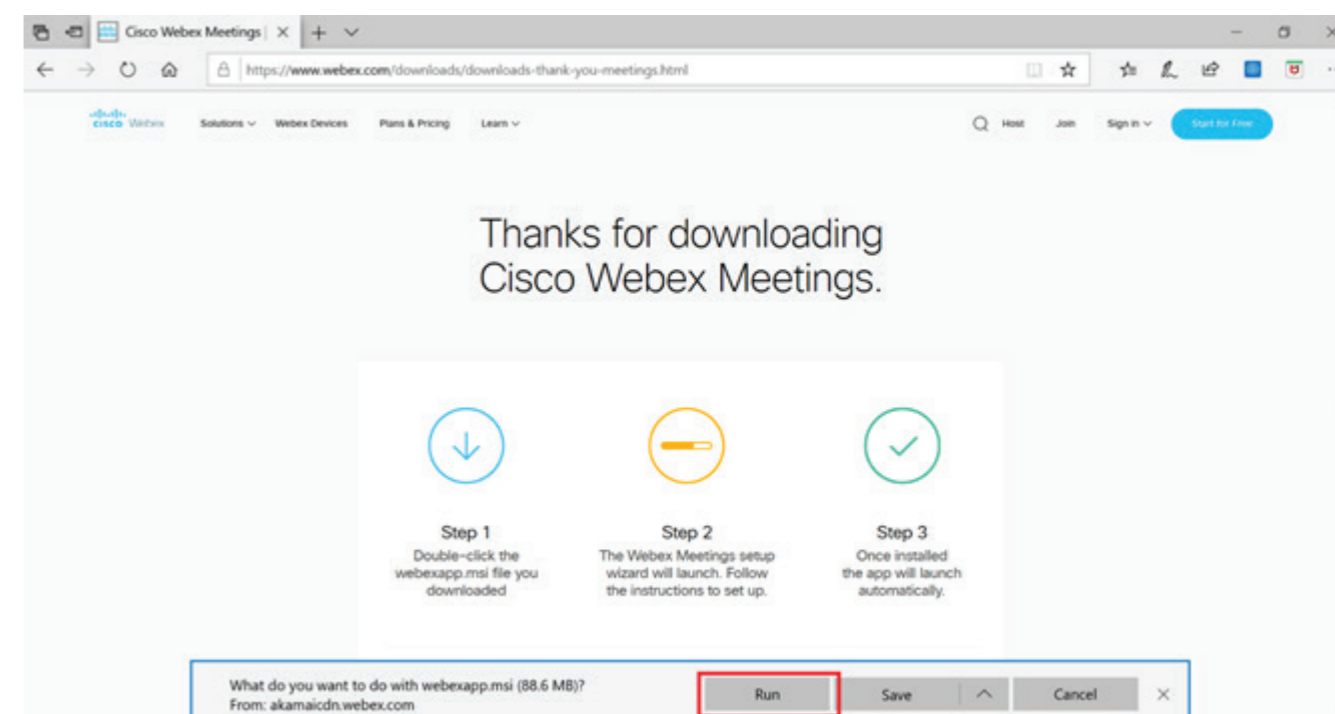
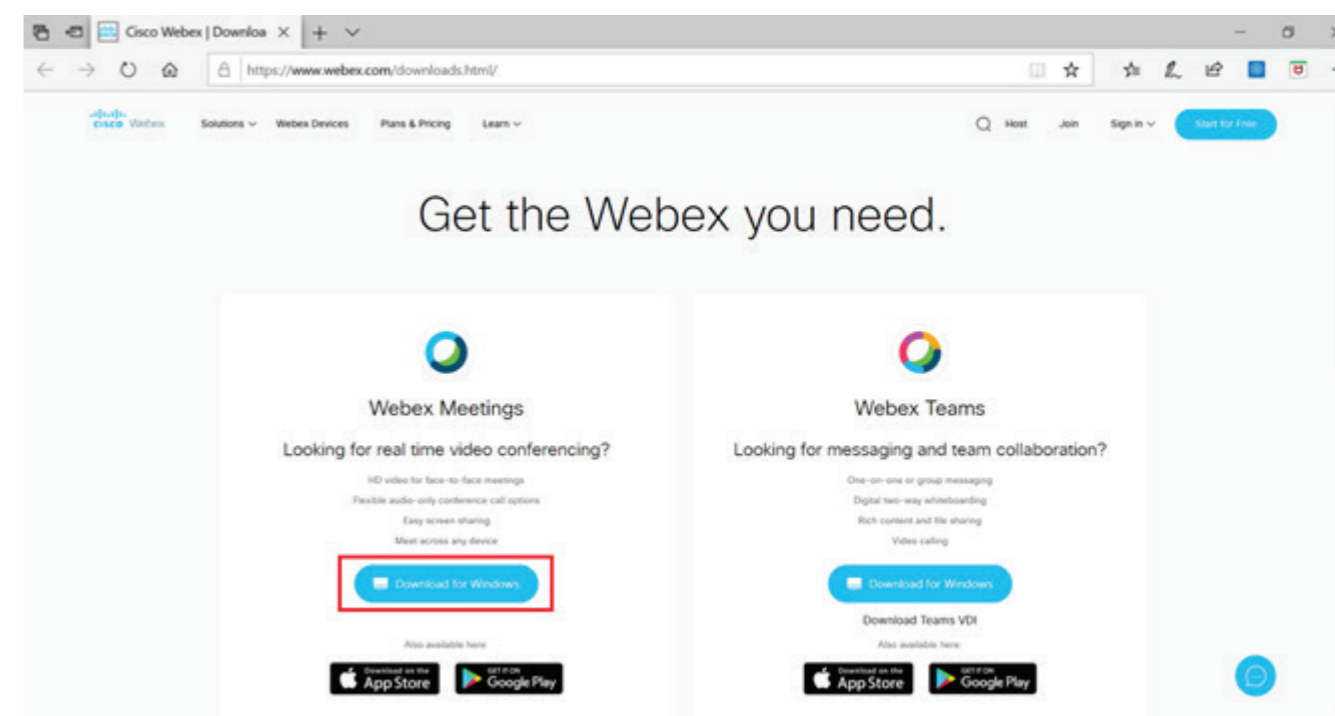
> Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (below) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully before participating in the meeting. In case you need any assistance, you may call the InstaMeet Support Desk on the dedicated numbers provided to you in the instructions/InstaMeet website.

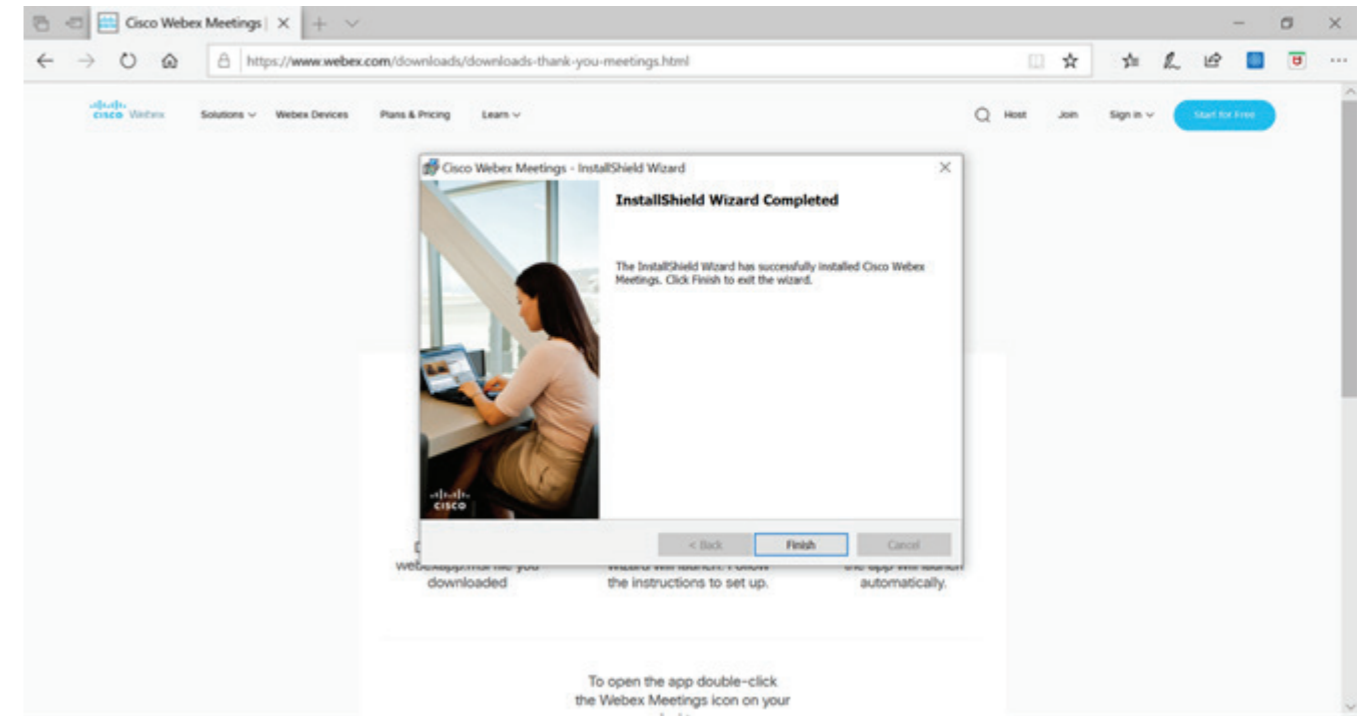
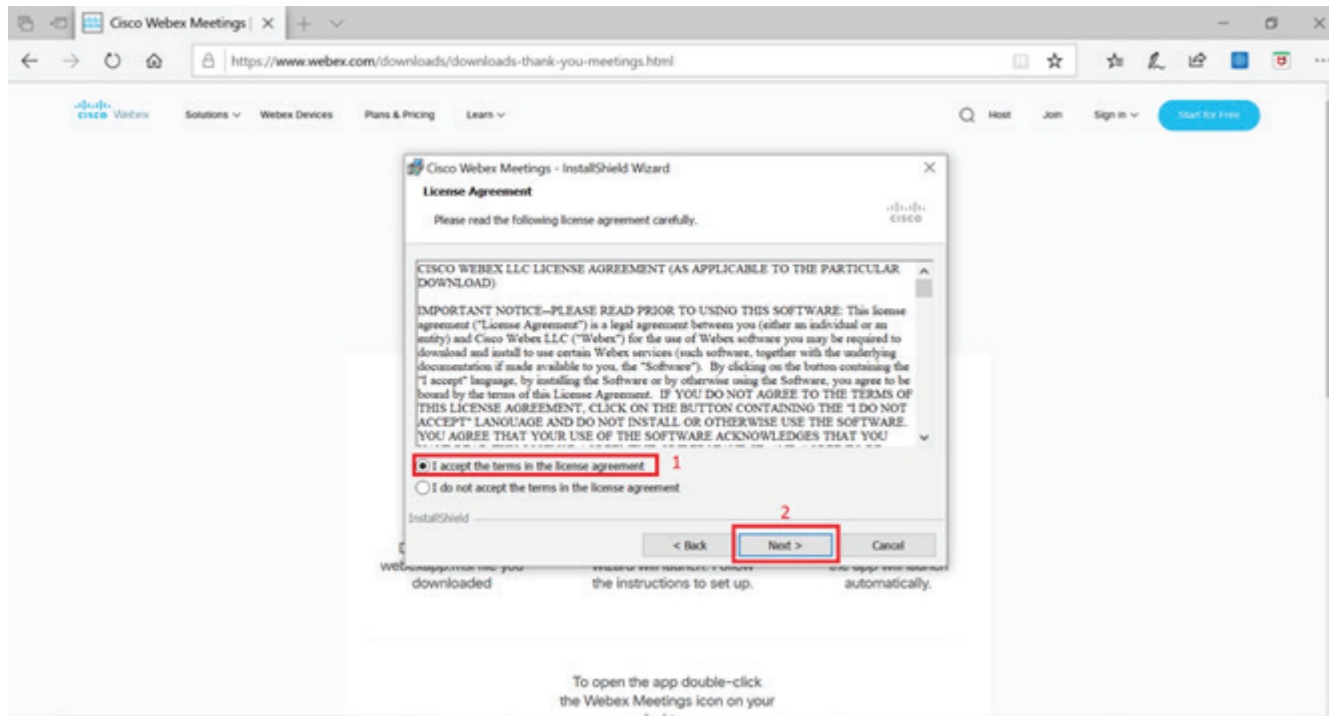
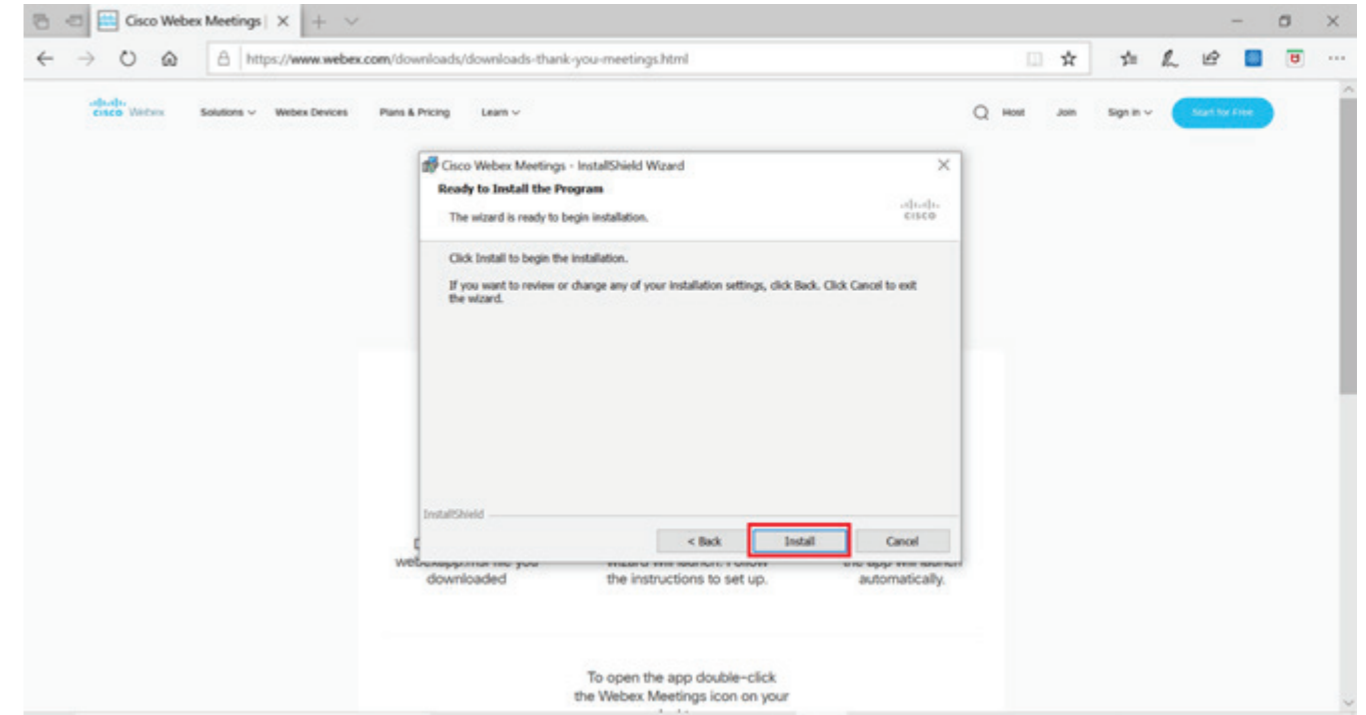
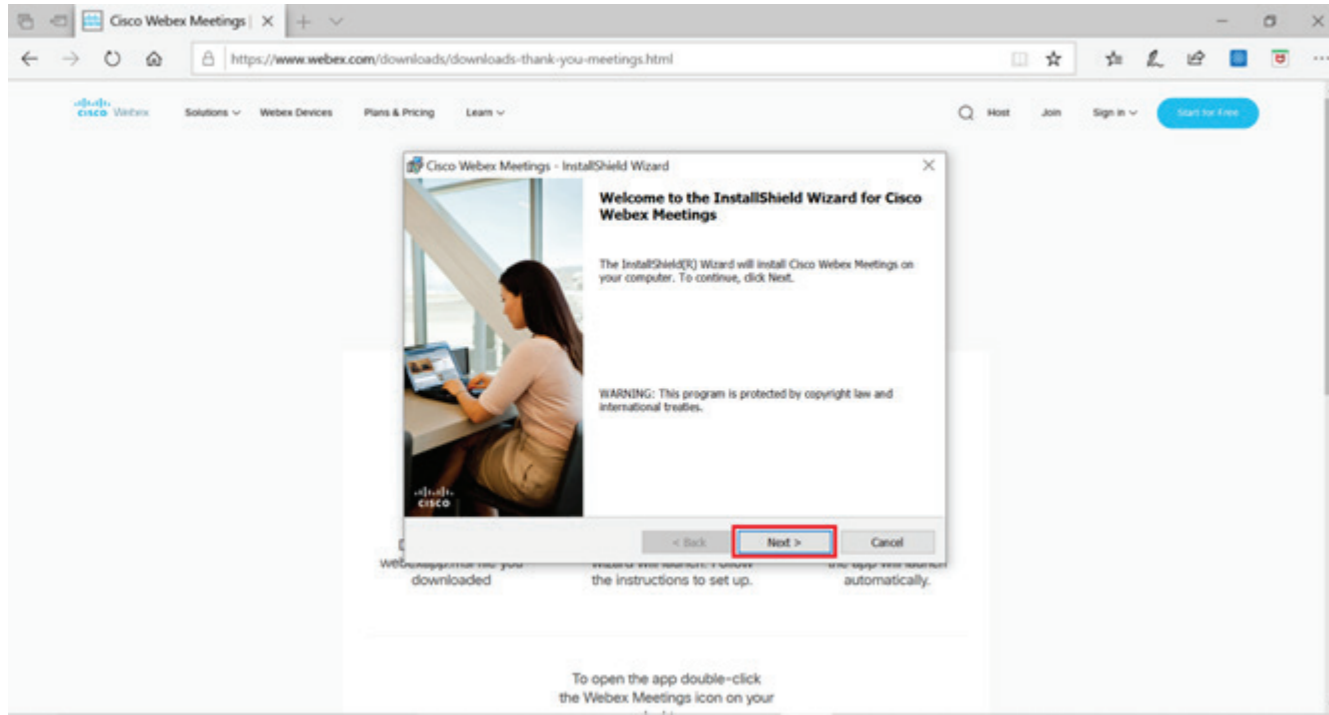
### Guidelines to attend the AGM through InstaMEET

For a smooth experience of viewing the AGM through InstaMEET, shareholders/members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> and following the instructions as below:





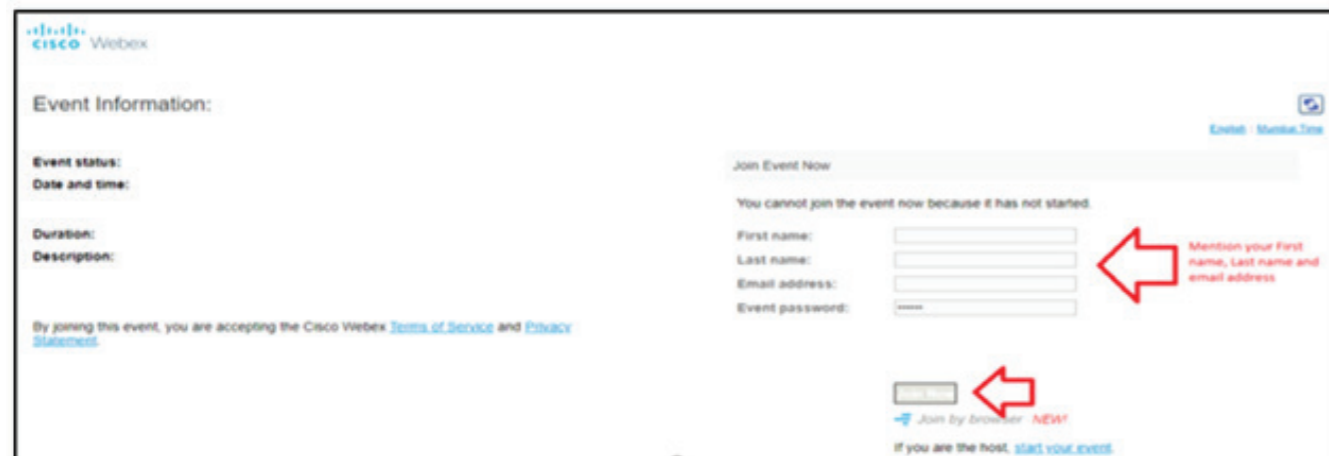


**OR**

2. If you do not wish to download and install the Webex application, you may join the meeting by following the process mentioned as under.
  - Enter your First Name, Last Name and Email ID and click on Join Now.



- If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on 'Run a temporary application', an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on 'Join now'.



#### C. INSTRUCTIONS FOR SHAREHOLDERS / MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

- Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number with the Company at [investor.relations\\_india@clariant.com](mailto:investor.relations_india@clariant.com) from August 15, 2022 to August 19, 2022.
- The first 15 Speakers on first come basis will only be allowed to express their views during the meeting.
- Shareholders will receive 'speaking serial number' once they mark attendance for the meeting.
- Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

#### D. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on:

**Tel: 022-49186175**  
**InstaMeet Support Desk**  
**Link Intime India Private Limited**

#### E. OTHER INSTRUCTIONS

- 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 during the meeting, to be conducted at the Annual General Meeting, in a fair and transparent manner.
- The 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.
- 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/pigments](http://www.clariant.com/pigments).



**PARTICULARS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

<b>Name of Director</b>	<b>Mr. Abhijit Naik</b>
Type	Executive Director
Date of Birth	December 18, 1962
Date of Appointment	June 10, 2022
Qualification	Mr. Abhijit Naik is an Engineering graduate with Global training in plant engineering and has completed 'Strategy in Execution' course from London Business School.
No. of Equity Shares held	0
Expertise in Specific Functional area	Plant Engineering, Site Operations and managing Regional Operations - APAC Region
Directorships held in other Listed Companies	Nil
Particulars of Committee Chairmanship/ Membership held in other Listed Companies	Nil
Relationship with other Directors inter-se	None

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

**IMPORTANT DATES AT A GLANCE**

Sr. No.	Particular	Dates
1.	Request for information relating to accounts and operations of the Company	August 15, 2022
2.	Window for registration as Speaker during the AGM	August 15, 2022 to August 19, 2022
3.	Cut-Off date for e-Voting	August 18, 2022
4.	Book Closure	August 19, 2022 to August 25, 2022 (Both Days Inclusive)
5.	e-Voting period	August 22, 2022 at 9:00 AM to August 24, 2022 till 5:00 PM
6.	Date of AGM	August 25, 2022



# DIRECTORS' REPORT

## Dear Members,

Your Directors are pleased to present the 65<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the Year ended March 31, 2022.

### 1. Financial performance of the Company

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Sales	81,313.06	68,841.61
<b>Profit before tax &amp; Exceptional Item from continuing operations</b>	<b>4,949.53</b>	<b>5,807.52</b>
<b>Exceptional Item</b>	-	<b>25,479.88</b>
Less : Tax expenses (Incl. deferred tax)	617.54	9,420.73
<b>Profit after tax from continuing operations</b>	<b>4,331.99</b>	<b>21,866.67</b>
<b>Profit before tax for discontinued operations</b>	-	<b>170.81</b>
Less : Tax expenses (Incl. deferred tax)	-	61.04
<b>Profit After Tax for discontinued operations</b>	-	<b>109.77</b>
Add : Balance brought forward from previous period	26,317.60	50,785.33
Amount available for appropriation	30,649.59	72,761.77
<b>Appropriations</b>		
Dividend (including interim and final)	3,462.27	46,394.41
Corporate tax on dividend	-	-
Other comprehensive income (OCI)	(107.01)	49.76
Transferred to Retained Earnings	-	-
<b>Balance carried forward to the balance sheet</b>	<b>27,294.33</b>	<b>26,317.60</b>

### 2. Review of operations

The Company's continued operations reported sales, for the year ended March 31, 2022, of ₹ 81,313.36 lakhs as against ₹ 68,841.61 lakhs for the previous year ended March 31, 2021. Company recorded a spike in sales of 18%. Of the total sales revenue for the year under review, 38% is contributed by exports.

The Company has taken into account external and internal information for accessing possible impact of COVID-19 on various elements of its financial statements, including recoverability of its assets. An evaluation of impact of COVID-19 on Internal Financial Controls over financial reporting concluded that there is no impact of COVID-19 thereon. While the Management of the Company does not expect any material impact to arise due to the Pandemic, the estimated as at the date of approval of the financial statements. The Company will continue to closely monitor any material change in future economic conditions due to COVID-19.

### 3. Dividend

The Board of Directors have not recommended any Dividend for the Financial year ended March 31, 2022.

The total dividend for the year ended March 31, 2021 was ₹ 11/- per share (110%).

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

### 4. Change in Management & Control of the Company

The Clariant Group, globally, announced on January 3, 2022 that it has completed the sale of its Pigments business to a consortium of SK Capital Partners ("SK Capital") and Heubach Group ("Heubach") (hereinafter referred to as "the acquirers").

Consequent to the said acquisition and pursuant to the share purchase deal between Clariant and the acquirers, the Management and control of the Company has been indirectly divested with the acquirers. Due to the said indirect acquisition, an Open Offer has been floated by the acquirers in accordance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as

amended.

Pursuant to the Open Offer, Colorants International AG, one of the promoters, has acquired 7,76,761 equity shares, representing 3.36% of the voting share capital of the Company on March 16, 2022. Upon closure of the Open Offer, the promoters are holding 1,25,48,811 Equity Shares, representing 54.37% of the total issued share capital of the Company.

### 5. Corporate Governance, Management Discussions and Analysis Report & Business Responsibility 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis Report as well as Certificate confirming the compliance with the conditions of corporate governance and Business Responsibility Report are annexed herewith and forms part of this Annual Report.

### 6. 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.

### 7. 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.

### 8. Subsidiary Company

As on March 31, 2022, the Company does not have any subsidiary.

### 9. Details of Directors and Key Managerial Personnel

Consequent to acquisition of the Company by SK Capital and Heubach Group, and change in management & control of the Company, the Nomination & Remuneration Committee and the Board of Directors have approved the following:

1. Appointment of Mr. Bharath R. Sessa (DIN: 01983066) as the Managing Director of

the Company for a term of three consecutive years, effective from April 23, 2022 to April 22, 2025 subject to the approval of members of the Company by way of Special Resolution and subject to such necessary approval of such authorities as may be required;

2. Appointment of Mr. Ravi Kapoor (DIN: 01761752) as Non-Executive Director and Chairman of the Company with effect from April 23, 2022, subject to the approval of members of the Company by way of Ordinary Resolution; and
3. Appointment of Mr. Abhijit Naik (DIN: 08097208) as Whole Time Director of the Company for a period of three years from April 23, 2022 to April 22, 2025, subject to the approval of members of the Company by way of Special Resolution and subject to such necessary approval of such authorities as may be required.

Pursuant to the provisions of Regulation 17(1C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, the Company has sent Postal Ballot / eVoting Notice, dated May 10, 2022, to its shareholders for seeking their approval for aforementioned appointments. The said Postal Ballot is in process and the results thereof will be announced on June 11, 2022, post receipt of report of Mr. Bhadrash Shah, Scrutinizer.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of the Directors nominated Mr. Ravi Kapoor as the Chairman of the Company, effective from April 23, 2022. Mr. Kewal Handa stepped down from the designation of Chairman effective from even date. Mr. Kewal Handa continues to be on Board of the Company as an Independent Director.

### Key Managerial Personnel

1. During the year, Mr. Adnan Ahmad, consequent to his retirement, resigned from the post of Vice-Chairman & Managing Director of the Company, effective from January 1, 2022;
2. Mr. Ashish Agarwal tendered his resignation to the Company from the post of Interim Chief Financial Officer, effective from closing working hours of April 20, 2022, due to advancement of his career.

Moreover, consequent to the change in the control of the Company, Mr. Alfred Muench, Mr. Thomas Wenger and Mr. Sanjay Ghadge, being Clariant's representatives, resigned from the Directorship of the Company effective from April 23, 2022.



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

The above re-appointment forms part of the Notice of the 65<sup>th</sup> Annual General Meeting and a Resolution is recommended for your approval.

The brief profile of Mr. Abhijit Naik, covering details of his qualification and experience, as required pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, amended. They have also confirmed that they have registered their name in the data bank of Independent Directors.

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

#### 10. 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.

#### 11. Number of meetings of the Board

During the year under review, the Board of Directors met 5 times on May 19, 2021, June 29, 2021, August 12, 2021, November 11, 2021 and February 10, 2022.

#### 12. 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, 2022 are annexed to this report as 'Annexure A'.

#### 13. 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, as amended from time to time, 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
Mr. Kewal Handa	Member
Mr. Bharath R. Sessa (w.e.f. April 23, 2022)	Member
Mr. Sanjay Ghadge (w.e.f. January 1, 2022 till April 23, 2022)	Member
Mr. Adnan Ahmad (till January 1, 2022)	Member

Your Company also has in place a CSR policy and the same is available on the website of the Company at [www.clariant.com/pigments](http://www.clariant.com/pigments). A detailed report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as 'Annexure B' forming part of this report.

#### 14. Nomination and Remuneration Policy

The Board has, based 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/pigments](http://www.clariant.com/pigments).

#### 15. Board Evaluation and Familiarization programme

Pursuant to the provisions of the Companies Act, 2013 and the 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 are available on the Company's website at [www.clariant.com/pigments](http://www.clariant.com/pigments).

#### 16. 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 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 proviso to 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 [investor.relations\\_india@clariant.com](mailto:investor.relations_india@clariant.com).

#### 17. 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, 2022, 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, 2022 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.

#### 18. Statutory Auditor & Audit Report

M/s. MSKA & Associates, Statutory Auditors, in

their Audit report for the Financial year ended March 31, 2022, 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.

#### 19. 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 2022-23, subject to approval of Central Government, if any. The Cost Audit Report for the 12 months ended March 31, 2021 has been filed on due date.

#### 20. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s J. R. Ahuja & Co., Company Secretary, as Secretarial Auditor to carry out the Secretarial Audit for the Financial year 2021-22.

The Secretarial Audit Report is annexed herewith as 'Annexure D'. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further comments.

#### 21. 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.

#### 22. Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 as on March 31, 2022, is available on Company's website at [www.clariant.com/pigments](http://www.clariant.com/pigments).

#### 23. 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.

In accordance of the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have constituted the Risk Management Committee on May 19, 2021. Particulars of the Risk Management Committee are provided in the Corporate Governance Report forming part of this Annual Report.

#### 24. 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/pigments](http://www.clariant.com/pigments).

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 the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014 in the Form AOC-2 is annexed as 'Annexure E' to this report.

#### 25. 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.

#### 26. 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.

#### 27. 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.

#### 28. 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 year under review, there was one complaint received for sexual harassment of women at workplace, which was investigated by the Company and stands resolved.

#### 29. Constitution of Internal Complaints Committee

The Company has constituted an Internal Complaint Committee (ICC) and complied with all the requirements of provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### 30. 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 matter of actual or alleged fraud has been reported by the auditors under Sub-Section (12) of Section 143 of the Companies Act, 2013.

#### 31. 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.

**For and on behalf of the Board of Directors**

**Ravi Kapoor**  
Chairman  
DIN (01761752)

**Bharath R. Sesha**  
Managing Director  
DIN (01983066)

Navi Mumbai, May 24, 2022

## 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:

- Water consumptions optimized by:
  - Closely monitoring daily water consumption report (instead of monthly basis) to identify deviation
  - Closely monitoring each individual Filter press wash water parameter and thereby reducing in wash water time and quantity
  - Recycling alkaline wash water collected from filter press in acidic filter press washing purpose
  - Utilizing treated waste-water for applications such as - floor washing, Scrubber system, Drum washings, Lime solution preparation
  - Utilizing Rainwater, harvested in pond, for gardening purpose
  - Monitoring of cooling towers loss
  - Closed loop of water used for water ring vacuum pumps to avoid wastage of water
  - Installed automatic water tap system in restrooms
- Steam consumption optimized by
  - Weekly monitoring of steam network and steps initiated to replace defective steam traps by leak tag system
  - Target rationalized to reduce the steam consumption per ton of production
  - Regular Steam/Air Audits
- Utilities consumptions optimized by reducing consumption of Electrical units per ton of production.
- Electricity consumptions optimized by:
  - Reduction of frequency with VFD for higher HP motor to get desired result without compromising quality and quantity
  - Replaced conventional lights by energy efficient LED lights across site- Plants & offices while replacing defective lights

- Old air conditioners (AC) being replaced by new energy efficient AC and usage at optimized temperatures and set on & off system based on timer
- "Compressed Air audit" Conducted on weekly basis
- Replacing old motors by energy efficient motors
- Replaced old-damaged roof sheets with adequate transparent sheets to achieve abundant natural light
- Timer logic for stirrer operations for non-critical equipment
- VFD Based Air compressor to save electricity during load variation
- Use of Gravity flow for effluent handling instead of pumping
- Rearranged lighting switches from centralized to localized to switch off lights where not required
- Disposal of bi-products; instead of treating at site to reduce the energy consumption
- Improved productivity resulting in energy saving:
  - Higher batch size wherever possible
  - Reduction in drying time at tray dryers and RVDs by optimizing drying temperature.
  - Water batching system modification for consistent water supply, this has reduced the batch cycle time.

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

- Use of higher calorific value LPG in place of Bio Diesel for hot air generator, which resulted in environment benefit and also cost savings
- Installation of solar water heater for bathrooms on Site
- Use of LSHS oil as fuel instead of furnace oil

#### (iii) Capital investment on energy conservation equipment: ₹ 180.67 Lakhs



**B. Technology Absorption****(i) The efforts made towards technology absorption:**

- Polyelectrolyte was used at WWTP - water at primary treatment and secondary treatment side to get maximum solid content on disposal of solid waste
- Use of bag compactor machine to pack the waste bags to minimize the space occupation
- Instrument control for consistent quantity of water to the reactor based on Chlorine consumption to complete the reaction in time with quality
- Auto changeover of LPG header manifold without manual intervention and also triggering of SMS to concerned person on leakage of LPG and Manifold empty

**(ii) The benefits derived like product improvement, cost reduction and import substitution:**

- Batch cycle and quality was improved by maintaining the chlorine gas pressure consistent by introducing control valve based pressure transmitter

- Use of double blow leg in the reactor for more absorption of chlorine gas to reduce the cycle time
- Recovery and reuse of Methanol and MTT from crude generated during process

**(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 ₹ **30,814.38 lakhs** (previous period ₹ 24,646.48 lakhs).

Foreign Exchange used ₹ **16,313.23 lakhs** (previous period ₹ 39,519.95 lakhs).

**For and on behalf of the Board of Directors**

**Ravi Kapoor**  
Chairman  
DIN (01761752)

**Bharath R. Sessa**  
Managing Director  
DIN (01983066)

Navi Mumbai, May 24, 2022

# 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. Brief outline on CSR Policy of the Company**

We consider sustainability as our 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 the Company has been framed in accordance with Section 135 of Companies 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 Chemicals (India) Ltd., 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.

**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**

We have 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, under the supervision of CSR Committee and the Board.

**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 Committee and attendance of the Members at Meeting held during the year is as below:

Sr. No.	Name of Member	Position held	No. of Meetings held during the tenure of member	
			Held	Attended
1.	Dr. (Mrs.) Indu Shahani	Chairperson	3	3
2.	Mr. Bharath R. Sessa (from April 23, 2022)	Member	0	NA
3.	Mr. Kewal Handa	Member	3	3
4.	Mr. Sanjay Ghadge (from January 1, 2022 till April 23, 2022)	Member	1	1
5.	Mr. Adnan Ahmad (till January 1, 2022)	Member	2	2



**3. Web-links where CSR related information of the Company is available:**

- a) Composition of the CSR Committee: <https://www.clariant.com/en/Investors/Investor-Relations-India/Committee-Information>
- b) CSR Policy: <https://www.clariant.com/en/Investors/Investor-Relations-India/Policies>
- c) CSR projects (approved by the Board of Directors): <https://www.clariant.com/en/Investors/Investor-Relations-India/Information-Update>

**4. Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable****5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year: Not Applicable****6. Average Net Profit of the Company as per Section 135(5): ₹ 4,680.67 Lakhs****7. Prescribed CSR Expenditure (2% of the amount as in item 6 above): ₹ 93.61 Lakhs****8. Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: Nil****9. Amount required to be set off for the Financial year: Nil****10. Total CSR obligation for the Financial year (7+8-9): ₹ 93.61 Lakhs****11. CSR expenditure****(a) CSR amount spent or unspent for the Financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
95,55,323.27	Nil	NA	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the Financial year: NIL****(c) Details of CSR amount spent against other than ongoing projects for the Financial year:**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation (Direct / Indirect)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	<b>COVID support to nearby villages</b>  1,85,000 3-ply masks distributed to homes in Kudikadu colony and Vanniyar village and nearby local schools	(i)	Yes	Tamil Nadu	Cuddalore	5,90,550.00	Direct	None	NA
2.	<b>COVID support</b>  Distribution of Oxygen concentrator	(i)	Yes	Tamil Nadu	Cuddalore	4,74,491.45	Direct	None	NA
3.	<b>Promoting education</b>  Renovation of Government Higher secondary schools that needed urgent repairs	(ii)	Yes	Tamil Nadu	Cuddalore	20,89,593.22	Direct	None	NA
4.	<b>Relief against natural disaster</b>  Distribution of 12.5 Tons of Rice to Flood affected villages of Kudikadu and Eachainkadu.	(i)	Yes	Tamil Nadu	Cuddalore	5,00,000.00	Direct	None	NA
5.	<b>Community Support</b>  Showcased a movie and spent time with the children of Ma Niketan on the occasion of Christmas (Dec 2021)	(ii)	Yes	Maharashtra	Airoli, Navi Mumbai	12,580.00	Direct	None	NA
6.	<b>COVID Support</b>  3,600 3 ply masks distributed to Prem Daan - Airoli -, Vatsalaya Foundation - Worli, MA Niketan - Thane	(i)	Yes	Maharashtra	Airoli, Navi Mumbai	3,300.00	Direct	None	NA



Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation (Direct / Indirect)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
7.	<b>Community Support</b> Arrange a movie show and spent time with the inmates of Prem Daan	(ii)	Yes	Maharashtra	Airoli, Navi Mumbai	9,080.00	Direct	None	NA
8.	<b>Promoting education</b> Renovation of classroom at Bhadla school, Sana-sala school, Uchakhedi school, Thadoda school and Deepa Khedi school	(ii)	Yes	Madya Pradesh	Nagda	8,27,441.00	Direct	None	NA
9.	<b>Promoting education &amp; providing healthy sanitation</b> Renovated Girl's restrooms at Naredi Pata and Thadoda schools for easy access	(i)	Yes	Madya Pradesh	Nagda	61,761.00	Direct	None	NA
10.	<b>Promoting education</b> Donated 52 seating benches (collectively) to Naredi Pata School and Palki School	(ii)	Yes	Madya Pradesh	Nagda	1,90,277.50	Direct	None	NA
11.	<b>COVID support</b> Face masks and face shields were distributed to villagers and school children - Nagda	(i)	Yes	Madya Pradesh	Nagda	1,29,330.00	Direct	None	NA
12.	<b>Plantation activity</b> Plants donation activity was held at Unkheda and Naredi Pata Schools	(ii)	Yes	Madya Pradesh	Nagda	17,214.00	Direct	None	NA

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation (Direct / Indirect)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
13.	<b>Healthcare support</b> Support rendered to health centers at Naredi Pata and Unhel village. Extended helping hand to strengthen infrastructure and facilities at Narsinghad Health center and Unhel Health centre	(i)	Yes	Madya Pradesh	Nagda	52,843.00	Direct	None	NA
14.	<b>Promoting education</b> Donated computer, laptop and books to Runkheda village school and Durgacolony village women samiti	(ii)	Yes	Madya Pradesh	Nagda	66,518.00	Direct	None	NA
15.	<b>COVID support</b> 3,50,000 surgical masks donated to Villagers and schools of Roth Khurd and Roha	(i)	Yes	Maharashtra	Roha, Raigad	9,62,500.00	Direct	None	NA
16.	<b>Oxygen concentrator</b> Donated 25 PPE kits, 2 Multiparameter monitors and 2 Oxygen concentrator	(i)	Yes	Maharashtra	Roha, Raigad	14,575.00	Direct	None	NA
17.	<b>Community support</b> Infrastructure and facilities arranged for Roth Budruk Village	(i)	Yes	Maharashtra	Roha, Raigad	3,47,570.00	Direct	None	NA

Notice

Directors' Report

Management Discussion And Analysis Report

Report on Corporate Governance

Business Responsibility Report

Independent Auditor's Report

Financial Report



Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation (Direct / Indirect)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
18.	<b>COVID support</b> Contributed to contain the spread of Covid in the neighboring villages around the Roha site by supporting the covid center	(i)	Yes	Maharashtra	Roha, Raigad	7,71,400.00	Direct	None	NA
19.	<b>Relief against natural disaster</b> Immediate relief (water and food) was organised for the flood affected area at Mahad, Maharashtra	(i)	Yes	Maharashtra	Roha, Raigad	96,899.88	Direct	None	NA
20.	<b>Community support</b> During Covid surge and non-availability of vaccines, vaccinations were organised for villagers around our site	(i)	Yes	Maharashtra	Roha, Raigad	74,620.00	Direct	None	NA
21.	<b>Promoting education</b> Provided infrastructure, Lab Chemicals, Benches, desktops and apparatus for Laboratory of School and Colleges at Roha	(ii)	Yes	Maharashtra	Roha, Raigad	20,04,715.49	Direct	None	NA
					<b>Total</b>	<b>92,97,259.54</b>			

(d) Amount spent in Administrative Overheads: ₹ **2,58,063.73** /-

(e) Amount spent on Impact Assessment: **Not applicable**

(f) Total amount spent for the Financial Year: ₹ **95,55,323.27** /-

(g) Excess amount for set off: ₹ **1,94,323.27** /-

## 12. Unspent CSR

(a) Details of Unspent CSR amount for the preceding three Financial years:

Sr. No.	Financial Year	Amount transferred to Unspent CSR Account under section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any.			Amount remaining to be spent in succeeding Financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	-	40,00,000	CM's State Disaster Management Fund - Tamil Nadu (to combat COVID-19)	20,00,000	August 19, 2021	Nil
				CM's State Disaster Management Fund - Maharashtra (to combat COVID-19)	20,00,000	August 9, 2021	Nil

(b) Details of CSR amount spent in the Financial year for **ongoing projects** of the preceding Financial year(s): **Nil**

**13. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial year:** Not applicable

**14. Reason(s) for not spending the amount at 7:** Not applicable

**For and on behalf of the Board of Directors**

**Dr. (Mrs.) Indu Shahani**  
Chairperson  
DIN (00112289)

**Bharath R. Sesa**  
Managing Director  
DIN (01983066)

Navi Mumbai, May 24, 2022



## 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, 2022	Ratio of Remuneration to median remuneration of employees
1.	<b>Mr. Adnan Ahmad</b> Vice-Chairman & Managing Director (till January 1, 2022)	603.90	76.8

**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 Financial Officer, Company Secretary in the Financial year:**

Executive Director, 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. Ashish Agarwal*</b> Interim Chief Financial Officer	4%
<b>Ms. Ameer Joshi</b> Company Secretary	8.9%

#till January 1, 2022

\*till April 20, 2022

- iii. **The percentage increase in the median remuneration of employees in the financial year: 1.4%**

- iv. **The number of permanent employees on the rolls of Company as on March 31, 2022: 498**

- 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: 5.7%

Average Percentile Increase for managerial personnel: 4.3%

- 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**

**Ravi Kapoor**  
Chairman  
DIN (01761752)

Navi Mumbai, May 24, 2022

**Bharath R. Sesha**  
Managing Director  
DIN (01983066)

## ANNEXURE D

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[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,  
Maharashtra, 400708

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, 2022, 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, 2022 according to the provisions of:

- The Companies Act, 2013 (Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Amendments;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (no event to report)
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (no event to report)
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (no event to report)
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (no event to report)



(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.

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 decisions are carried through, with no dissenting members for any agenda item at the Board Meetings held during the period under review

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.

I further report that during the year ended on 31 March, 2022 Colorants International AG acquired 776,761 shares (representing 3.36% of the voting share capital of the Company through open offer to the shareholders. The transaction was completed on 16 March, 2022 through Stock Exchanges.

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  
FCS No. 9079; C.P. No. 10563  
Peer Review Certificate No. 1877/2022  
UDIN: F009079D000370209

Date: May 23, 2022  
Place: Mumbai

To  
The Members,  
**Clariant Chemicals India Limited**  
Reliable Tech Park, Gut No. 31, Village Elthan,  
Off Thane Belapur Road, Airoli, Navi Mumbai,  
Maharashtra, 400708  
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.
3. I have not verified the correctness and appropriateness of financial records and books of account of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though

we have relied to a certain extent on the information furnished in such returns.

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 as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Jagdish Ahuja**  
Proprietor  
FCS No. 9079; C.P. No. 10563  
Peer Review Certificate No. 1877/2022  
UDIN: F009079D000370209

Date: May 23, 2022  
Place: Mumbai



# ANNEXURE E

## 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, 2022:

(₹ 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
Colorants Solutions 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	28,887.32

For and on behalf of the Board of Directors

**Ravi Kapoor**  
Chairman  
DIN (01761752)

Navi Mumbai, May 24, 2022

**Bharath R. Sesha**  
Managing Director  
DIN (01983066)

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## Economic Overview

The Financial year 2022 proved to be yet another year of never-seen-before challenges as the COVID-19 pandemic continued to rage with each fresh wave buffeting both society at large and businesses in particular.

At a macroeconomic level, inflation, geopolitical uncertainties, and supply chain disruptions were a cause of concern during the year. The resulting mood was one of nervousness and anxiety over how businesses would recover from these factors and from the disruptions caused by the pandemic.

The silver lining is that the overall economy is showing signs of a partial recovery. However, there are multiple concerns that continue to create an element of uncertainty about the intensity and speed of recovery.

All in all, your Company anticipates a mixed macro picture in the coming year with continued uncertainty on some key demand-linked factors, as was the case in FY2022.

## Industry Overview: Specialty Chemicals

The global chemicals and petrochemicals market is worth \$178 billion and is expected to grow to \$300 billion by 2025. India ranks 14<sup>th</sup> in exports (excluding pharmaceutical products) globally.

The highly diversified Indian chemicals industry covers over 80,000 commercial products and employs more than two million people. It is broadly classified into bulk chemicals, specialty chemicals, and agrochemicals. The source of petrochemical feedstock influences the economy of scale in this business.

The chemicals sector continues to enjoy huge potential and will maintain its strong growth trajectory over the coming decade. Growth will be driven by strong domestic consumption and the emergence of a potential China + 1 strategy in global supply chains. The availability of a cost-effective and skilled workforce further aids this growth momentum. Hence, the Company believes India remains a highly attractive global chemical industry hub.

The specialty chemicals segment constitutes 22% of the Indian chemicals and petrochemicals market and is expected to grow by 12% CAGR by 2025.

In the past year, apart from pandemic-induced disruptions, global supply chains were also impacted

by trade wars, natural disasters, geopolitical uncertainties and massive cyberattacks. The COVID-19 pandemic affected demand across different end segments to varying degrees. While segments such as textiles, construction and infrastructure, automotive and consumer durables saw shrinkage in demand, others such as FMCG, agriculture, pharmaceuticals, hygiene, and food and beverages (F&B) remained resilient. By Q3 FY2022, however, demand in most segments had recovered to pre-Covid levels, and the sector is now trending in the right direction in terms of robustness of demand. However, the Company continues to keep a close watch on demand indicators as short-term blips are inevitable in the current environment.

Historically, the Indian chemicals sector has been a strong out-performer as compared to the global chemicals industry, and investors continue to factor in strong optimism as seen in the 2x multiples enjoyed by companies in India as compared to their global peers.

The specialty chemicals segment, in particular, is expected to create \$60 billion worth of opportunities in the coming decade. This segment is differentiated from the bulk chemicals segment by extensive research and development (R&D) and innovation. Given that the Indian specialty chemicals segment remains highly fragmented and under-indexed on R&D and product innovation, significant opportunity exists for players to drive value creation via market consolidation, sharper end-market alignment, and a greater focus on quality, sustainability, collaboration and innovation.

Besides, there are growth opportunities in both the domestic and export markets. The domestic market remains under-penetrated in most specialty chemicals categories. The country's growing population, increasing pace of urbanisation, and rising income levels will drive strong growth in all key end markets. This bodes well for the domestic demand outlook for specialty chemicals.

In the export market, India has established a strong presence driven by its low-cost manufacturing, availability of skilled labour, sound reputation for protection of intellectual property, and strong process optimisation capabilities. Although specialty chemicals account for more than 50% of the country's total chemicals exports, this is still less than 5% of the global specialty chemicals trade. Hence, the opportunity is huge for exports as well.



### Pigments and dyes

The global pigments market was valued at \$17,124 million in 2019 and is expected to expand by 3.2% CAGR to touch \$20,774 million by 2027. Among product types, inorganic pigments was the biggest segment accounting for 50% of the global pigments market in 2019. It was valued at \$8,556.5 million in 2019 and is expected to grow at a CAGR of 2.9% until 2027.

In terms of applications, the paints and coatings segment accounted for the largest revenue share of 43.3% of the global pigments market in 2019. It was valued at \$7,420 million in 2019 and is expected to grow at a CAGR of 3.1% in the 2019-2027 period.

The Asia-Pacific region, which held a dominant position in the global pigments market with a revenue share of 41.8% in 2019, is projected to maintain its dominance and generate \$8,960.6 million of revenues by 2027.

India accounted for a 16.2% volume share of the Asia-Pacific pigments market in 2019 and is expected to increase this marginally to 16.6% by 2027.

### Company Profile and Performance

Clariant Chemicals (India) Limited manufactures and sells pigments, preparations, and dyes for use in the coatings, plastic, printing, non-impact printing (NIP), and special applications (home and personal care, agriculture, stationery, fibres, etc.) sectors.

### Financial and Operational Performance Review

The 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 continued operations reported sales for March 31, 2022, of ₹ 81,313 lakhs as against ₹ 68,842 lakhs for the previous year ended March 31, 2021. Exports accounted for 38% of the Company's total sales revenue for the year under review. The pigments business showed a spike of 18%.

The Company remains committed and focused on its drive for sustainable growth in all its markets on the back of a focused strategic approach, optimal cost management, and the introduction of innovative products.

### Comparative Financial Performance of operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sales	<b>81,313</b>	68,842
Operational Profit	<b>4,083</b>	4,329
Other Income	<b>867</b>	1,479
Profit before Tax & Exceptional Item	<b>4,950</b>	5,808
Exceptional Item	<b>0</b>	25,480
Profit before Tax	<b>4,950</b>	31,288
Operational PBDT before Other Income (% to sales)	<b>7.5%</b>	11.5%
ROCE (%)	<b>10.5%</b>	# 8.4%
Earnings Per Share (₹)	<b>18.8</b>	94.7
Cash Earnings Per Share (₹)	<b>26.50</b>	34.34
Book value per share (₹)	<b>179.3</b>	176.4

# Excluding exceptional item

**Details of significant changes in key financial ratios, along with detailed explanations, therefore, include:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Debtor Turnover Ratio	<b>20.70%</b>	24.66%
Inventory Turnover Ratio	<b>18.41%</b>	19.57%
Interest Coverage Ratio	<b>106</b>	23
Current Ratio	<b>1.95:1</b>	1.86:1
Debt Equity Ratio	<b>No borrowings</b>	No borrowings
Operating Profit Margin (%)	<b>5.00%</b>	6.30%
Net Profit Margin (%)	<b>5.30%</b>	4.90%

The Company remains a zero-debt Company with no long-term borrowings. The Company has sustained its performance in the efficient management of its working capital. This is evident from the year-end ratio of inventory to sales of 18.41%, receivables to sales of 20.70%, and net working capital to sales of 18%. Net cash from operations during the year before tax payments was ₹ 2,649 lakhs (previous year ₹ 8,062.41 lakhs).

### Business Segments and Performance

The Company's reportable segments are

- Plastics and Coatings; and
- Specialty Chemicals

#### Plastics and Coatings

This segment comprises pigments

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

Clariant is a leading global provider of superior quality organic pigments, pigment preparations, and dyes used in the automotive industry, for industrial and architectural coatings, for the plastics industry, to color home and fabric care products, and many other applications including seed coloration, traditional and digital printing. With decades of experience and know-how behind us, we're confident that we can provide the solutions you're looking for, however specific your demands may be. Our organic pigments and colorants have a global reputation for technical performance and high quality, and we provide top-quality support at our regional and global technical service centers. We always ensure that our products meet international standards of environmental, health, and safety performance, as well as proactively taking steps to save energy and reduce our carbon footprint.

During the year, total sales of Pigments business from Plastics and Coatings segment is ₹ 78,487 lakhs and the ratio of the domestic to export sales is 62:38. The total sale has been spiked by 18% on a like to like comparable period basis of 12 months.

#### Specialty Chemicals

The **Specialty Chemicals** segment includes products that have applications in the textile, paper, emulsion, and leather industries. 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 total revenue of the Specialty Chemicals Segment, for the financial year ended March 31, 2022, is ₹ 5,464 Lakhs.

#### Internal Financial Control Systems

The Company has internal control systems that are commensurate with the size and nature of its business. Corporate policies and management information and reporting systems for critical operational areas form part of our 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 authorised by the Audit Committee to assess the adequacy and compliance of the internal control process, they submit a report that includes their observations and recommendations.

The Company's Audit Committee approves the annual internal audit plan, which covers all business operations and support function activities. The audit results and recommended management actions are presented to the Audit Committee every quarter.

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 the adequacy and operating effectiveness of such controls. These controls are designed to provide reasonable assurance regarding:

- Adherence to the Company's policies and procedures
- Safeguarding of assets
- Prevention and detection of fraud and error
- Reliability, completeness and accuracy of accounts
- Timely reporting of information (financial, non-financial, internal, and external)

An independent chartered accountant duly reviewed the internal financial controls and governance processes for adequacy and effectiveness. Based on its evaluation, the Audit Committee has concluded that, as of March 31, 2022, the internal financial controls were adequate and operating effectively.

#### Human Resources

Your Company is a strong proponent of the belief that its people are an organisation's most valuable resource. Our human resources (HR) department is in charge of effectively managing our workforce.

Since the COVID-19 outbreak in 2020, companies the world over have faced the unique challenge of ensuring the health and safety of their employees while maintaining business continuity. As a result, meaningful touch points with the workforce have become the need of the hour.

Your Company too launched a unique Employee Wellbeing and Assistance programme under the employee engagement platform, Enable | Engage | Empower. This included employee counselling and well-being programmes, self-help tools and the like. These programmes have continued to help our employees immensely and also strengthen their morale and bonding in the current year.

The Company also continued to conduct virtual Connect sessions (Managing Director's town hall) with various sets of employees to ascertain the

work-from-home and pandemic-related challenges faced by them. In addition, we organised vaccination drives for employees and their families to ensure that they were protected from the second wave of the pandemic that hit the country during the year. We also implemented all Covid-safety behaviour and protocols while managing the return to the workplace after a significant gap.

Moreover, we undertook significant initiatives such as long service awards and training and development sessions to motivate and retain our talented workforce.

We also continued to maintain a cordial and amicable relationship with workers and their Unions at all our sites. The total number of employees on the rolls of the Company, as on March 31, 2022, was 498 as against 499 on March 31, 2021.

### Environment, Corporate Sustainability, and Social Responsibility

We continue to commit ourselves to ethical and sustainable operations in all our business activities according to the principles of ESG, Responsible Care, and our code of ethics. We are in the process of formulating aspirational and realistic goals to deal with carbon emissions and charting a roadmap to achieve these goals.

Add Value with Sustainability, being one of our important pillars of growth, we believe it supports us to create value with innovative and sustainable solutions and upholds our ability to operate in the long term. It is an integral part of the way we work, and this helps us focus on our identified goals; position ourselves in the market; build a competitive advantage through differentiation; create added value for our stakeholders; build a brand image and reputation and also anticipate and mitigate risk. Most of our newly developed products coming from our innovation pipeline are a result of our focus on sustainability and enable us to stand out among the competitive portfolio in the marketplace.

Our Corporate Social Responsibility continues to be an integral part of our corporate philosophy. Our CSR Policy is framed in line with the Companies (Corporate Social Responsibility Policy) Rules, 2014. We continue with our contribution in the focus areas of children's education, safety and healthcare, and community support to bring a positive impact on the communities around our sites in India. The Company has also been actively involved in supporting many welfare activities to mitigate the impact of the pandemic, around the community nearer to our sites.

### Outlook, Opportunities, and Challenges

#### Outlook & Opportunities

India's chemicals sector is on a strong growth

trajectory for the coming decade owing to the following factors:

- Growing population, increased pace of urbanisation, and rising income levels driving strong growth in all key end markets
- Emergence of a potential China + 1 strategy in global supply chains
- Continued benefits of the availability of a technically skilled workforce and competitive labour costs
- Government of India's 'Make in India' and 'Atmanirbhar Bharat' initiatives could provide impetus to domestic manufacturing
- Rapidly improving policy and regulatory environment
- Your Company also enjoys the added advantage of having established product development capabilities, branding, and distribution apart from having a parent Company with strong research capabilities that can be applied to domestic products. In addition, the Company's manufacturing footprint spread across three states provides clear geographical and supply reliability, which is a key success factor for the colorant business
- To sum up, the Indian chemicals industry is growing at almost twice the global average and is a global outperformer on total shareholder returns. Moreover, the country's large population base with low per capita consumption of chemicals and relatively strong GDP growth outlook (7-8% over the next few years) indicate a huge untapped potential for the specialty chemicals sector

#### Challenges

- Continued impact of COVID-19 pandemic, weak rural demand, and geopolitical shock of Russia-Ukraine war, which has disrupted both supply chains and global growth. The resulting uncertainty in the global economy and capital markets may lead to a decline in demand
- Slowing demand in global markets at a time when domestic capacities of export-oriented specialty chemicals have expanded, together with higher inflation in key raw material costs, will put increased pressure on product margins
- Differentiation is the key success factor for a chemicals manufacturer, and the Company needs to evolve and become a solution provider
- Cost of compliance and complex regulatory processes also have an economic impact

on operations. The ability to scale up, offer differentiated products through innovations, implement an effective sales and marketing strategy, and maintain high regulatory standards will separate the winners from the rest of the crowd in this sector.

#### Risks and their mitigation

We follow 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 toward 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 the protection of the environment, the safety of operations, and the health of people at work. These are then monitored regularly concerning statutory regulations prescribed by government authorities and guidelines defined by the group. The Company fulfills its legal requirements concerning emission, wastewater, and waste disposal. Improving workplace safety continues to be the 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 our Code of Ethics. The Company has set in place the requisite mechanism for meeting the compliance requirements and periodic monitoring to avoid any deviation. We aim 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 the Anti-Trust/Competition laws, we have launched and imparted training 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 the unpredictability of financial markets and seeks to reduce potential adverse effects on financial performance. The Company's business-critical software is operated on a server with regular maintenance and backup of data and is connected to a centralized computer center with physically separated server parks operated by the 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 a 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 based on any subsequent developments, information, or events.**

#### For and on behalf of the Board of Directors

**Ravi Kapoor**  
Chairman  
DIN (01761752)

**Bharath R. Sessa**  
Managing Director  
DIN (01983066)

Navi Mumbai, May 24, 2022

#### Sources:

1. IBEF (India Brand Equity Foundation) is an initiation of the Ministry of Commerce and Industry, Government of India
2. Report on Global Pigments Market by Coherent Market Insights
3. Other sources include industry articles in daily newspapers, trade magazines, websites, industry association newsletters, statements of industry experts, industry conferences, etc.



# 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. The Company 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 a nutshell, the corporate governance principles, that the Company adheres to, aims to provide shareholder value and transparency to ensure sustainable and long-term growth. 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

Consequent to the acquisition of the Company by SK Capital and Heubach Group, the global corporate structure has been changed. Post the acquisition, SK Capital holds majority stake in the Group, resultantly holding, indirectly, 54.37% of the issued Equity of the Company.

### 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has 6 Directors out of which 3 are Independent Directors, 1 is Non-Executive Director and 2 are in whole time employment of

the Company, one being the Managing Director and another Whole Time Director. The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction.

Mr. Ravi Kapoor is the Chairman of the Board who is a Non-Executive Director. The Directors on the Board are eminent professionals in business, 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 Chairperson 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, or 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, as on March 31, 2022 the number of other Directorships/Committee memberships held by them and also their attendance at the Board meetings of the Company is as under:

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships / Chairmanships# in Indian Public Companies **		
		Number of Board Meetings held during the year wherein Director was entitled for attendance		Last AGM held on August 12, 2021	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Ravi Kapoor DIN 01761752 Chairman (w.e.f. April 23, 2022)	Non-Executive	0	NA	NA	1	None	None

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships / Chairmanships# in Indian Public Companies **		
		Number of Board Meetings held during the year wherein Director was entitled for attendance		Last AGM held on August 12, 2021	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Bharath R. Sesha DIN 01983066 Managing Director (w.e.f. April 23, 2022)	Executive	0	NA	NA	1	1	None
Mr. Kewal Handa DIN 00056826	Non-Executive Independent	5	5	Attended	9	3	6
Mr. Sunirmal Talukdar DIN 00920608	Non-Executive Independent	5	5	Attended	6	2	4
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	5	4	Not Attended	5	6	2
Mr. Abhijit Naik DIN 08097208 Whole Time Director (w.e.f. April 23, 2022)	Executive	0	NA	NA	1	None	None
Mr. Adnan Ahmad DIN: 00046742 Vice-Chairman & Managing Director (till January 1, 2022)	Executive	4	4	Attended	1	1	None
Mr. Alfred Muench DIN 03092351 (till April 23, 2022)	Non-Executive	5	2	Not attended	2	None	None
Mr. Thomas Wenger DIN 08350960 (till April 23, 2022)	Non-Executive	5	5	Attended	1	1	None
Mr. Sanjay Ghadge DIN 08455742 (till April 23, 2022)	Non-Executive	5	4	Attended	1	1	None

\* Directorship held in Clariant Chemicals (India) Limited is included and Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies of the Companies Act, 2013 are 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.

\*\* the particulars of Directorship of Companies, Membership and / or Chairmanship in the Committees, as the case maybe, are as on March 31, 2022; except for Mr. Ravi Kapoor, Mr. Bharath R. Sesha and Mr. Abhijit Naik, whose particulars are as on April 23, 2022.

**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. Ravi Kapoor (w.e.f. April 23, 2022)	None	NA
2	Mr. Kewal Handa (Independent Director)	R M Drip & Sprinklers Systems Ltd Mukta Arts Ltd Greaves Cotton Ltd Borosil Limited	Independent Director Independent Director Independent Director Independent Director
3	Mr. Bharath R Sessa (Managing Director)	None	NA
4	Dr. (Mrs.) Indu Shahani (Independent Director)	United Spirits Ltd Colgate-Palmolive (India) Ltd Bajaj Electricals Ltd	Independent Director Independent Director Independent Director
5	Mr. Sunirmal Talukdar (Independent Director)	India Carbon Ltd Sasken Technologies Ltd Aditya Birla Fashion and Retail Limited Titagarh Wagons Limited	Independent Director Independent Director Independent Director Independent Director
6	Mr. Abhijit Naik (Whole Time Director)	None	NA
7	Mr. Adnan Ahmad (Vice-Chairman & Managing Director) (till January 1, 2022)	None	NA
8	Mr. Alfred Muench (Non-Executive Director) (till April 23, 2022)	None	NA
9	Mr. Thomas Wenger (Non-Executive Director) (till April 23, 2022)	None	NA
10	Mr. Sanjay Ghadge (Non-Executive Director) (till April 23, 2022)	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 and briefly summarized following key qualifications, skills and competence which are currently available with the Board:

Sr. No.	Skill / Qualification / Expertise
1.	Strategic thinking & Vision
2.	Leadership
3.	Drive for Innovation & Improvement
4.	Driving a culture of Safety
5.	Stakeholders' Relationship
6.	Global Business
7.	Commercial Management
8.	Social Responsibility
9.	Risk Management
10.	Corporate Governance, Finance & Taxation

The Independent Directors of the Company fulfils the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended and are independent from the Management of the Company.

**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 Director proposed to be 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 5 meetings on May 19, 2021, June 29, 2021, August 12, 2021, November 11, 2021 and February 10, 2022.

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 are available on Company's website ([www.clariant.com/pigments](http://www.clariant.com/pigments)) at below path:

**Products and Businesses >> Pigments >> 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 March 21, 2022 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;



- b) the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

29, 2021, August 12, 2021, November 11, 2021 and February 10, 2022. 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	5	5
Mr. Kewal Handa	Member	5	5
Dr. (Mrs.) Indu Shahani	Member	5	4
Mr. Bharath R. Sessa (w.e.f. April 23, 2022)	Member	0	NA
Mr. Thomas Wenger (till April 23, 2022)	Member	5	5

**Note :** Due to the continuing scare of a fresh wave of the Pandemic of COVID-19, all the meetings of Audit Committee were held virtually during the Financial year 2021-22.

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 Chairperson of the Audit Committee is a Non-Executive Independent Director. Mr. Sunirmal Talukdar, Chairperson of the Committee was present at the Annual General Meeting held on August 12, 2021.

The Managing Director and the 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:

- a) Overseeing the Company's financial reporting process to ensure disclosure of financial

information as per the requirements of Stock Exchange and the Company Law and to ensure that the financial statements are correct, sufficient and credible;

- b) Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions;
- d) Recommending to the Board, the appointment, 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:
- 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on exercise of judgment of management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosures of any related party transactions;
  - 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;

## 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 Chairman.

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 the Independent Director subjected to evaluation at the Board Meeting held on February 10, 2022.

## 3. Board Committees

The Board of Directors has constituted/reconstituted five committees viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management 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, five meetings were held on May 19, 2021, June

- 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 existing as on the date of coming into force of this provision.

### 3.2 Nomination and Remuneration Committee

#### 3.2.1 Composition and Meetings:

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

During the year under review, three meetings were held on May 19, 2021, August 12, 2021 and November 11, 2021.

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	Chairperson	3	3
Mr. Kewal Handa	Member	3	3
Mr. Ravi Kapoor (w.e.f. April 23, 2022)	Member	None	NA
Mr. Alfred Muench (till April 23, 2022)	Member	3	1

Ms. Ameer Joshi acts as Secretary to the Committee.

**Note :** Due to the continuing scare of a fresh wave of the Pandemic of COVID-19, all the meetings of Nomination and Remuneration Committee were held virtually during the Financial year 2021-22.

#### 3.2.2 Terms of reference:

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

- (a) 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;

- (b) Formulation of criteria for evaluation of performance of Independent Directors, other Directors and Key Managerial Personnel;
- (c) Devising a policy on diversity of Board of Directors;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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/pigments](http://www.clariant.com/pigments).

#### 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, 2022 is given as under:

(₹ in Lakhs)

Name of Director	Sitting fees*	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Commission	Total	No. of shares held as on March 31, 2022
Mr. Kewal Handa	12.50	-	9.60	22.10	Nil
Mr. Sunirmal Talukdar	14.30	-	7.20	21.50	Nil
Dr. (Mrs.) Indu Shahani	11.00	-	7.20	18.20	Nil
Mr. Adnan Ahmad*	Nil	603.90	-	603.90	Nil

\*Exclusive of service tax.

# Consequent to his retirement, Mr. Adnan Ahmad tendered his resignation from the post of Vice-Chairman & Managing Director w.e.f. January 1, 2022.

Other than this, none of the Directors, on the Board as on March 31, 2022, 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 Mr. Bharath R. Sessa, Managing Director, have right to participate in Management Equity Plan of Heubach Group.

### 3.3. Stakeholders' Relationship Committee

#### 3.3.1 Composition and Meetings:

During the year under review, four meetings were held on May 19, 2021, August 12, 2021, November 11, 2021 and February 10, 2022. The composition and details of the meetings attended by the members are given as:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	4	3
Mr. Bharath R. Sessa (w.e.f. April 23, 2022)	Member	None	NA
Mr. Sunirmal Talukdar	Member	4	4
Mr. Sanjay Ghadge (effective from January 1, 2022 to April 23, 2022)	Member	1	1
Mr. Adnan Ahmad (till January 1, 2022)	Member	3	3

Ms. Ameer Joshi acts as Secretary to the Committee.

**Note :** Due to the continuing scare of a fresh wave of the Pandemic of COVID-19, all the meetings of Stakeholders' Relationship Committee were held virtually during the Financial year 2021-22.

#### 3.3.2 Terms of reference:

The brief terms of reference of Stakeholders Relationship Committee of the Board of Directors includes the following:

- (a) Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- (b) Review of measures taken for effective exercise of voting rights by shareholders;
- (c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports/statutory notices by the shareholders of the Company.



### 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) Regulations, 2015.

Pursuant to Regulation 13 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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, 2022. Detail of Investors' Complaint received and resolved during the year ended March 31, 2022 is given below:

Nature of Complaints	Number of Complaints	
	Received	Resolved
Non-Receipt of Dividend	14	14
TDS Deduction	10	10
Non-Receipt of Share Certificates after Demat Rejection	1	1
Others	2	2
<b>Total</b>	<b>27</b>	<b>27</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, three meetings were held on May 19, 2021, August 12, 2021 and February 10, 2022. 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	Chair-person	3	3
Mr. Bharath R. Sessa (w.e.f. April 23, 2022)	Member	0	NA
Mr. Kewal Handa	Member	3	3
Mr. Sanjay Ghadge (effective from January 1, 2022 to April 23, 2022)	Member	1	1
Mr. Adnan Ahmad (till January 1, 2022)	Member	2	2

Ms. Ameer Joshi acts as Secretary to the Committee.

**Note :** Due to the continuing scare of a fresh wave of the Pandemic of COVID-19, all the meetings of Corporate Social Responsibility (CSR) Committee were held virtually during the Financial year 2021-22.

#### 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.

### 3.5. Risk Management Committee

#### 3.5.1 Composition and Meetings:

Pursuant to the recent amendments in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the

Company have constituted the Risk Management Committee on May 19, 2021. During the year under review, the Risk Management Committee met 2 times on August 11, 2021 and February 3, 2022. The composition of the Committee is given below:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairperson	2	2
Mr. Bharath R. Sessa (w.e.f. April 23, 2022)	Member	None	NA
Mr. Abhijit Naik (w.e.f. April 23, 2022)	Member	None	NA
Mr. Sanjay Ghadge (till April 23, 2022)	Member	1	1
Mr. Sambit Roy (till April 23, 2022)	Member	1	1
Mr. Adnan Ahmad (till January 1, 2022)	Member	1	1
Mr. Vaibhav Ganpule (till January 1, 2022)	Member	1	1

Ms. Ameer Joshi acts as Secretary to the Committee.

**Note :** Due to the continuing scare of a fresh wave of the Pandemic of COVID-19, all the meetings of Risk Management Committee were held virtually during the Financial year 2021-22.

#### 3.5.2 Terms of reference:

The brief terms of reference of Risk Management Committee of the Board of Directors includes

the following:

- To formulate a detailed Risk Management Policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
- To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors;

### 4. Subsidiary Company

The Company did not have any Subsidiary Company during the year under review.

## 5. General Body Meetings

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

AGM	Date and Time	Venue	Special Resolutions Passed
62 <sup>nd</sup>	August 8, 2019 4:00 p.m.	Airoli HQ - Reliable Tech Park, Thane - Belapur Road, Airoli, Navi-Mumbai 400 708.	Re-appointment of Dr. (Mrs.) Indu Shahani as Independent Director of the Company for second term of 5 years.
63 <sup>rd</sup>	August 20, 2020 4:00 p.m.	Through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')	None
64 <sup>th</sup>	August 12, 2021 4:00 p.m.	Through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')	None

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

## 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The Company has formulated a policy on dealing with Material Related Party Transactions. The Policy is available on the website of the Company i.e. <http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

None of the transactions with related parties were in conflict with the interest of the Company. Company's major related party transactions, during the year under review, are with the affiliates of group Companies 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 the 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 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. Bharath R. Sessa, 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/pigments](http://www.clariant.com/pigments). All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended March 31, 2022.

### 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 or trading 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, 2022 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:

- Management Discussion & Analysis report forms part of Directors' Report.
- 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. Company 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 Mumbai Lakshadeep, 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 25, 2022 at 04.00 p.m.

**Mode :** The 65<sup>th</sup> Annual General Meeting (AGM) of the Company will be held through Video Conference (VC)/Other Audio-Visual Means (OAVM).

### 8.2 Financial Calendar:

- Financial Year April 1 to March 31.

Proposed Calendar for FY 2022-23

1 <sup>st</sup> Quarter Results	On or before August 14, 2022
2 <sup>nd</sup> Quarter Results	On or before November 14, 2022
3 <sup>rd</sup> Quarter Results	On or before February 14, 2023
Annual Results	On or before May 30, 2023
Annual General Meeting	In the month of August 2023

### 8.3 Dates of Book Closure

<b>Book Closure dates</b>	<b>August 19, 2022 to August 25, 2022 (Both days inclusive)</b>
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### 8.4 Listing of Shares:

Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID '506390' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2023 to both the Stock Exchanges.

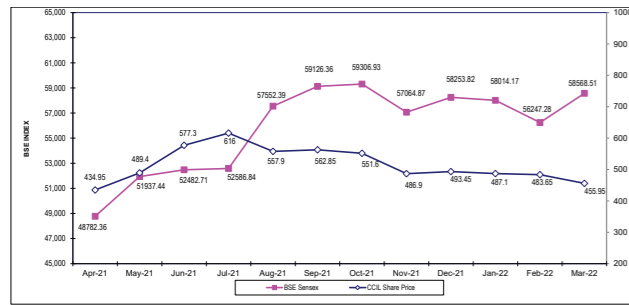
### 8.5 Corporate Identification Number (CIN) of the Company: L24110MH1956PLC010806

### 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.)
2021-22						
April 21	449.20	369.10	224273	449.50	373.05	1707467
May 21	530.00	420.05	408265	530.90	420.00	2985253
June 21	612.50	481.00	549948	613.00	484.25	4242699
July 21	631.75	573.80	271291	631.85	574.00	2445112
August 21	628.00	532.55	189038	628.10	531.85	1313856
September 21	591.00	540.00	124544	590.95	540.00	982552
October 21	642.20	548.75	242570	643.00	548.00	1751563
November 21	593.75	466.05	132978	593.75	465.25	897961
December 21	508.00	453.40	65075	504.90	462.95	545935
January 22	514.95	479.50	90562	504.90	480.05	846727
February 22	509.90	476.15	65487	498.55	480.00	682952
March 22	502.00	450.00	92465	497.70	449.20	711171



### 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  
E-mail id.: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Contact Person: Miss Asawari Kalokhe  
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 rematerialization 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, 2022:

Sr. No.	Category	No. of Shares held	% of Shareholding
<b>A</b>	<b>Promoters' Holding</b>		
	<b>Foreign Promoters</b>		
(a)	Colorants International AG	8439385	36.57
(b)	EBITO Chemiebetteilungen AG	4109426	17.80
	<b>Sub-Total</b>	<b>12548811</b>	<b>54.37</b>
<b>B</b>	<b>Institutional Investors</b>		
(a)	Mutual Funds / Alternate Investment Funds	180	0.00
(b)	Financial Institutions / Banks	12205	0.05
(c)	Insurance Companies	696724	3.02
(d)	Foreign Portfolio Investors(Corporate)	106003	0.46
(e)	Foreign Institutional Investors	0	0
	<b>Sub-Total</b>	<b>815112</b>	<b>3.53</b>
<b>C</b>	<b>Others</b>		
(a)	Domestic Companies	444474	1.93
(b)	Non Resident Indians / Trusts	327874	1.42
(c)	Indian Public	8805848	38.15
(d)	Foreign Nationals	225	0.00
(e)	Government Companies	0	0
(f)	Investor Education and Protection Fund	123308	0.53
(g)	NBFCs Registered with RBI	16146	0.07
	<b>Sub-Total</b>	<b>9717875</b>	<b>42.10</b>
<b>D</b>	<b>Total Public Shareholding (B+C)</b>	<b>10532987</b>	<b>45.63</b>
	<b>Total (A+D)</b>	<b>23081798</b>	<b>100.00</b>

2,27,23,072 equity shares of the Company are held in dematerialized form constituting 98.45% of the paid up capital as on March 31, 2022. The total number of shareholders as on March 31, 2022 is 60,686\*.

\*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 31-March-2022		As at 31-March-2021	
		No. of shares	%	No. of shares	%
1	Colorants International AG	8439385	36.57	7662624	33.20
2	Ebito Chemiebetteilungen AG	4109426	17.80	4109426	17.80
3	Bajaj Allianz Life Insurance Company Ltd.	600173	2.60	758315	3.29

### 8.11 Distribution of shareholdings as at March 31, 2022:

No. of equity shares held	Shareholders*		Equity Shares held	
	No. of Shareholders	%	No. of shares	%
1 - 500	57343	94.49	4401276	19.07
501 - 1000	1981	3.26	1502954	6.51
1001 - 2000	838	1.38	1211202	5.25
2001 - 3000	217	0.36	537415	2.33
3001 - 4000	102	0.17	361633	1.56
4001 - 5000	73	0.12	339120	1.47
5001 - 10000	86	0.14	618693	2.68
10001 & above	46	0.08	14109505	61.13
<b>Total</b>	<b>60686</b>	<b>100.00</b>	<b>23081798</b>	<b>100.00</b>

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

### 8.12 Names of Depositories for dematerialization 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 dematerialized form.

### 8.13 ADRs/GDRs/Warrants:

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

### 8.14 Plant Locations:

The Company's current manufacturing facilities are located at:

- 113/114, M.I.D.C. Industrial Area, A.V.P.O. Dhatav, Taluka Roha, District Raigad - 402 116 Maharashtra

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

- Kudikadu, SIPCOT Post, Cuddalore - 607 005 Tamil Nadu

### 8.15 Credit Ratings:

During the year under review, the Company had not subjected itself for any Credit Rating.

### 8.16 Certificate from Company Secretary:

A Certificate from M/s. J R Ahuja & Co., Practicing 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:

The Company had paid 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 2021-22, as below:

Nature of Engagement	FY 2021 - 22
As auditors	20,84,580
For other services	NIL
For reimbursement of expenses	33,760
<b>Total</b>	<b>21,18,340</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 2021-22. 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	1
Number of complaints disposed of during the Financial year	1
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 has transferred 416 shares to IEPF Suspense Account as on March 31, 2022. The Company has uploaded the details of such shareholders on its website [www.clariant.com/pigments](http://www.clariant.com/pigments).

Members are hereby informed that the 7 years period pertaining to Dividends for various Financial years will expire as below; and thereafter the amount standing to the credit in the said account 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.

Financial Year / period	Date of Declaration	Date of completion of seven years
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
2018-19 (Final)	08.08.2019	13.09.2026
2020-21 (First Interim)	11.07.2020	17.08.2027
2019-20 (Final)	20.08.2020	26.09.2027
2020-21 (Second Interim)	12.02.2021	20.03.2028
2020-21 (Final)	12.08.2021	17.09.2028

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	277 shareholders 36782 shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	06 Shareholders 505 Shares
Number of unclaimed shares were transferred during the year	NIL
Number of shareholders involved in IEPF4	14 Shareholders
Number of shares involved in IEPF4	416 Shares
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	257 Shareholders 35861 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/pigments](http://www.clariant.com/pigments).

### 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, 2022 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 Managing Director have provided annual certificate on Financial Reporting and Internal Controls to the Board pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate was placed and taken on record at the Board Meeting held on May 24, 2022. 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**

**Ravi Kapoor**  
Chairman  
DIN (01761752)

**Bharath R. Sessa**  
Managing Director  
DIN(01983066)

Navi Mumbai, May 24, 2022



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### Independent Auditors' Certificate on Corporate Governance

To the members of **Clariant Chemicals (India) Limited**

We, the Statutory Auditors of **Clariant Chemicals (India) Limited** ('the Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

### Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate

Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2022, as applicable.

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

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

**Vishal Vilas Divadkar**  
Partner  
Place: Mumbai Membership No.: 118247  
Date: May 24, 2022 UDIN: 22118247AJMQHF1917

## 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 pursuant to Regulation 34(3) and Clause 10(i) of Part C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to certify, on the basis of records maintained by Clariant Chemicals (India) Limited (the Company) and the data 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, for the Financial Year ended on March 31, 2022, 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	00056826	Mr. Kewal Handa
2	00046742	Mr. Adnan Ahmad*
3	00112289	Dr. (Mrs.) Indu Shahani
4	00920608	Mr. Sunirmal Talukdar
5	03092351	Mr. Alfred Muench
6	08350960	Mr. Thomas Wenger
7	08455742	Mr. Sanjay Ghadge

\* till January 1, 2022

Date: 23 May, 2022  
Place: Mumbai

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

**Jagdish Ahuja**  
Proprietor  
UDIN: F009079D000370506  
Peer Review No: 1877/2022

# BUSINESS RESPONSIBILITY REPORT

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## OVERVIEW

We strive for innovations in the sustainability field by finding new solutions based on renewable resources and developing more environmentally friendly substitutes. We attend to the welfare of all stakeholders, protect the environment, and respect communities. We adhere to our Code of Conduct and never shortcut a safety procedure.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L24110MH1956PLC010806
- Name of the Company: Clariant Chemicals (India) Limited
- Registered address: Reliable Tech Park, Gut No. 31, Village Elthan, Off Thane-Belapur Road, Airoli, Navi-Mumbai - 400708
- Website: [www.clariant.com/pigments](http://www.clariant.com/pigments)
- E-mail id: [investor.relations\\_india@clariant.com](mailto:investor.relations_india@clariant.com)
- Financial Year reported: Financial Year ended on March 31, 2022
- Sector(s) that the Company is engaged in (industrial activity code-wise):

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	84%

- Three key products that the Company manufactures / provides (as in Balance Sheet):  
CC Yellow Fine Paste 509  
PV Fast Blue BG  
CHLORANIL DRY
- Total number of locations where business

activity is undertaken by the Company: 3

(a) Number of International Locations: None  
(On a standalone basis)

(b) Number of National Locations: 3

10. Markets served by the Company:

Local	State	National	International
✓	✓	✓	✓

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** ₹ 23,08,17,980
- Total Turnover (INR):** ₹ 83,025 Lakhs
- Total profit after taxes (INR):** ₹ 4,332 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax :** ₹ 95,55,323 /- (2.2%)
- List of activities in which expenditure in 4 above has been incurred:-**
  - Education
  - Safety and Health
  - Women empowerment and Community welfare
  - COVID Relief

## SECTION C: OTHER DETAILS

- The Company does not have any Subsidiary Company during the Year
- Participation of other entities in the BR initiatives of the Company:

Some of the best practices in ESH and Sustainability like waste management, plastic waste reduction etc. are shared with selective suppliers and distributors as part of creating more awareness. We also supported some of our suppliers and also mentored them in the process of implementation of responsible care for their Companies.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

Sr. No.	Particulars	Details
1	DIN	01983066
2	Name	Mr. Bharath R. Sesha
3	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number	08097208
2	Name	Mr. Abhijit Naik
3	Designation	Whole Time Director
4	Telephone number	022-71251000
5	e-mail id	<a href="mailto:Abhijit.Naik@clariant.com">Abhijit.Naik@clariant.com</a>

### 2. Principle-wise (as per National Voluntary Guidelines (NVGs)) BR Policy/policies

- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3** Businesses should promote the well-being of all employees
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5** Businesses should respect and promote human rights
- P6** Businesses should respect, protect, and make efforts to restore the environment
- P7** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

Details of compliance

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national/ international standards?	We have our Code of Ethics which covers most of the principles. The Code of Ethics is in line with national and international standards and practices such as Universal Declaration of Human Rights, the OECD and the ILO guidelines/ principles concerning Multinational Enterprises and Social Policy.								
4	Has the policy being approved by the Board?	All our key policies are formulated at Group level to establish uniformity throughout the global corporate group. These policies are adopted & implemented by the Company in line with the local legislations & corporate guidelines. The policies/guidelines pertaining to local laws and systems are approved by the Board and signed by the relevant senior management personnel, including the Managing Director.								



Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a Committee for Corporate Social Responsibility at the Board and at the country level comprised of members of the leadership team. The Company has in place internal framework/ Committees to monitor the effective implementation of Policies.								
6	Indicate the link for the policy to be viewed online?	The Code of Ethics and the Policies are available on the Company's internal network. The Policies which concerns the external Stakeholders are available on the website of the Company: <a href="https://www.clariant.com/en/Investors/Investor-Relations-India/Policies">https://www.clariant.com/en/Investors/Investor-Relations-India/Policies</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	All the Policies have been communicated and are available on Company intranet for the internal stakeholders. Policies communicated to external stakeholders are available on Company's website <a href="https://www.clariant.com/en/Investors/Investor-Relations-India/Policies">https://www.clariant.com/en/Investors/Investor-Relations-India/Policies</a>								
8	Does the Company have in-house structure to implement the policy/ policies.	Company has set up various internal processes and controls to implement the set policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	In order to ensure integrity and transparency of business processes, the Company has established a portal called 'Integrity Line' to facilitate reporting, including reporting anonymously, of any non-compliance or violation of the Company's Code of Ethics and other Policies. The Company also has a Stakeholders' Relationship Committee to redress grievances of investors. In accordance with Indian Law, an Internal Complaints Committee has also been constituted at each establishment of the Company to look into complaints of sexual harassment.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?  <i>Refer Note No. 1</i>	The Company's Policies/Guidelines and procedures are audited by the Company's Internal, as well as, the Group's Auditors.								

**Note 1:** While the Company has not carried out Independent Audit of the Policies, the Internal Audit Function periodically looks at the implementation of the Policies.

### 3. Governance related to BR

- (a) Frequency with which the Board of Directors/ Committee of the Board assesses the BR performance of the Company: The Managing Director of the Company assesses the BR performance of the Company annually.

Pursuant to the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company publishes Business Responsibility Report on annual basis, forming part of the Annual Report. The Annual Reports of the Company

are available on the website of the Company at <https://www.clariant.com/en/Investors/Investor-Relations-India/Annual-Reports>

#### SECTION E: PRINCIPLE - WISE PERFORMANCE

##### Principle 1

The Company has adopted an Anti-Bribery and Corruption policy, which covers all employees as well as any other third party with whom we are engaged in business activities. The employees of the Company are expected to report any irregularity they come to know about. The Company has in place a sound Whistle blower mechanism and the Audit Committee

of the Board to ensure adherence and implementation of the policies. The Internal Complaints Committee is also constituted to deal with the complaints and to resolve the grievance.

As mentioned, there are different systems in place to receive and resolve complaints from various stakeholders, both internal and external. In case of investors, complaints received through SEBI, Stock Exchanges and/or Depositories are resolved by Link Intime, Registrar & Transfer Agent. During the period under review the Company received 27 (twenty seven) investor complaints and all of them have been resolved during the year.

##### Principle 2

Specific products manufactured by the Company:

- Cosmenyl & Flexonyl product range
- "Permanent" Pigments series

##### i) Cosmenyl & Flexonyl product range-Eco Passport Certification for Viscofil Product Range

Most of our leading Textile manufacturers and brand owners are keen on the OEKO-TEX® certification for their products. Our Viscofil Pigments dispersions are used as a Coloring Agent for coloration of Viscose Staple Fibers and Viscose Filament Yarns in Fiber applications in Textile Industry.

We identified this need and, as part of our continuous improvement process, enhanced our Viscofil product range by using compliant ingredients.

We also proactively acquired the ECO PASSPORT certification for our selected eight products, which in turn simplifies our customer's process of obtaining the OEKO-TEX® certification. Eco passport certification for Viscofil products reveal that there is no harmful effect on human and environmental health of Textiles made using these products and hence can now be used in the production of human- ecologically optimized textiles. The certification also helps us in furthering our Sustainability goals, as a Responsible Corporate Company.

##### ii) "Permanent" Pigments series

To manufacture these specific Preparations, we had to produce the Permanent & Hansa series Pigment powders in another production unit and that too by providing high level safe & hygienic arrangements

to the respective employees.

Besides this, with our regular ongoing activities on environment protection and energy conservation we implemented many actions at our plant to reduce the Specific Consumption of utilities like steam, electricity etc. required for synthesis of pigments.

##### Sustainable sourcing (including transportation)

Your Company is fully committed for increasing the sustainability in its supply chain. By joining the 'Together for Sustainability' (TfS) initiative in 2014, we have taken the sustainability management of our suppliers to a new level. The TfS evaluation of suppliers is managed through external global service providers specialized in sustainability assessments. This global assessment and audit program cover all critical aspects of management, environment, health and safety, labor, and human rights as well as governance. The assessment scorecards and audits reports are shared on a common platform, providing fact-based and objective insights on sustainability performance. These scorecards and reports are then used to improve the supplier selection process and improve supply and supplier risk management and sustainability performance.

##### Promotion of small business concerns operating in the surrounding community:

We support Small & Medium Enterprises (SMEs) in the Indian chemical industry to compete in the global market. The Company is promoting localization by which imported raw materials are sought to be substituted with locally manufactured raw materials, wherever possible, subject to their meeting required specifications, quality & cost. Many of the Company's packaging and service suppliers are small or medium enterprises. The Company is associated on an average since last 3 years with more than 260 SME suppliers.

##### Mechanism to recycle products and waste

The 3R (Reduce, Reuse and Recycle) program is well embedded in the operational excellence blueprint. There is continuous focus to look at the opportunities to reduce, reuse & recycle the waste and treated wastewater. Projects are identified at the sites and are monitored through a global tool. There is also a special focus to improve process efficiency through a program called Yield, Energy and Environment (YEE) which is also contributing to the overall reduction of environment impact.

Process wastewater is treated at the site through state of art wastewater treatment plant. Treated wastewater is reused for various purpose at the site e.g. floor washing, drums cleaning, gardening etc. Solid waste generated from wastewater treatment plant is sent to cement industry as a co-fuel. Some of the waste streams which were earlier treated at the wastewater treatment plant are now separated as byproduct and are supplied to users e.g. textile industries. One of our site has Zero Liquid Discharge facility, where 100% wastewater is reused/recycled within the site. All other wastes are segregated based on their characteristics, collected, and stored in an appropriate manner. The waste is then disposed off as per the hazardous waste authorization issued by the State Pollution Control Board.

One of our sites has also implemented Rainwater Harvesting facility to make use of rain water and reduce the raw water consumption at the site.

### Principle 3

There were 498 Employees on Roll of the Company, as on March 31, 2022, and 528 Employees were on contractual basis.

1. Permanent women employees: 21
2. Permanent employees with disabilities: None

There are various Employee Associations recognized by management. Around 59% of Company's permanent employees are members of employee association recognized by the Management.

There were no complaints with regard to Child Labour, Forced Labour, Involuntary Labour or Discriminatory Employment, as the Company strictly prohibits such practices. Moreover, one complaint was received for sexual harassment of women at workplace, which was investigated by the Company and stands resolved.

During the year, all of Company's employees, permanent and contractual, were given the safety trainings. However, trainings for Skill-Upgradation were imparted considering the jobs or task assigned to the employees, which is an ongoing process in Company. There are defined processes within the Company, such as Talent Management Programs, Learning Management Systems, Success Factors etc., through which trainings are identified, organized and imparted.

### Principle 4

#### Mapping internal and external stakeholders

Every site at Clariant Chemicals (India) Ltd has a CSR Committee which identifies the marginalized and disadvantaged group through a need assessment and by engaging with nearby communities. Dialogue on Sustainability is organized periodically which helps to engage with internal and external stakeholders such as investors, customers, business partners, distributors, suppliers, and employees. The external stakeholders are mapped through defined activities such as customer events and reach out to them on a regular basis through press releases, meetings with various associations, participation in conferences, publishing technical papers and Annual General Meetings.

For the internal stakeholders there are various interactive programs, fun events, townhall meetings conducted to keep them engaged and motivated. Virtual programs are organized in collaboration with external agencies for health & mental wellbeing of our employees. Vaccination drives were conducted for Company and contract employees and their family members as a Covid-19 precaution.

Having considered the scare of fresh wave of the Covid-19 pandemic, and the rising cases, support was given to the local communities by distributing face masks, face shields, PPE kits, Oxygen concentrators among others. This year we supported 28 ZP Schools with identified needs. To empower the women in the local villages, tailoring classes were organized throughout the year.

### Principle 5

Company's internal Code of Conduct (CoC) and CoC for Suppliers covers all aspects of Human Rights for all employees as well as any third party with whom the Company is engaged in business activities. Before onboarding any employee or engaging any third-party service provider they are informed of our Internal Code of Conduct, and their engagement proceeds only after their acceptance of the same.

During the year under review there were no stakeholder complaints concerning 'Human Rights' received.

### Principle 6

A crucial element of our sustainability management is continuous exchange with external partners. These include customers, suppliers, and shareholders, as well as joint ventures. Corporate ESH (Environment, Safety & Health) guidelines are also applicable to our JV partners as well as contractors.

We are committed towards respecting and supporting human rights both in our own operations, as well as in our business relationships and supply chains. We expect our suppliers and business partners to maintain the same high standards regarding human rights. This reflects in our code of ethics and supplier code of conduct.

We are also the signatory to the UN Global Compact and the chemical industry's Responsible Care® initiative.

Our Responsible Care logo got renewed in 2020 after a comprehensive online audit for all the sites.

The Company sets a strong focus on continuously steering its environmental performance towards increased sustainability and setting new environmental benchmarks through leading-edge operations and innovation. With our vision to become climate neutral by 2050, we have set ourselves ambitious targets that allow us to measure our success based on clearly defined metrics and milestones.

We has set up 2030 sustainable operations targets in the area of water intake (-3%), wastewater (-10%), specific hazardous waste generation (-10%), specific energy consumption (-10%), specific co2 direct emission (-10%), specific water discharge (-10%) with the baseline of 2019 data. They will be measured in terms of parameter volume or mass per unit of production.

All sites undergo a regular aspect impact review of their environmental and necessary control measures are implemented to the mitigate and control the possible impacts. The sites stringently monitor and ensure compliance with all the State Pollution Control Board requirements.

Additionally, Company has set up the goal to achieve implementation of sustainable water management systems at all sites in areas of high-water stress. A water risk assessment annually is conducted to identify sites located in water risk regions and measures required to mitigate the risks. We, through

collaboration and innovative initiatives, endeavors to develop efficient water use solutions that work in industrial settings across the globe.

The Company has undertaken sustainable initiatives on clean technology, energy efficiency, renewable energy, etc.

We have identified savings potential through detailed analysis of energy consumption across operations and oversees all forms and usages of energy at the Company – electricity, heating and cooling, steam, natural gas, nitrogen, and the production of deionized water. By implementing this program, many improvement projects are being identified to optimize our energy usage across all sites. Some of them are:

- Agro-Mass Briquettes, being the most economical fuel, are used to produce 95% of steam required on site
- VFD installation for pumps, blowers etc.
- Improvement of cooling water supply system efficiency
- Use of transparent roof sheets and Solar Tubes for natural lights thereby leading to reduction in energy consumption
- Increased usage of energy efficiency of new equipment's
- Use of Turbo Ventilators for extraction of heat from the building
- Use of LPG instead of diesel for clean environment

The Company's emissions, effluents and wastes are within the permissible limits set by State Pollution Control Boards of respective States. There were no show causes/ legal notices received from Central and State Pollution Control Boards.

### Principle 7

Memberships of trade and chamber or association:

- (a) The Bombay Chambers of Commerce
- (b) Indian Chemical Council

The Company advocates matters of public interest and the subject which concerns the Chemical Industry as a whole. The Company has actively participated in working of the above bodies.

During the period under review, the Company has not received any Show Cause Notices or legal notices from Central or State Pollution Control Board.



**Principle 8**

We consider sustainability as one of our strategic pillars to enable a sustainable future by leading edge operations and innovative solutions. We endeavor to create products that are sustainable and safe for use. Being part of the sustainable development goals (SDG's) initiative with focus on climate change and the 2030 environmental targets to intensify reductions for key environmental aspects. The company CSR policy is framed in accordance with the guidelines as per section 135 of the Companies Act, 2013.

The Company has undertaken activities around the focus areas of Education, Safety and Health and Community support including empowerment of women. This year we continued with the focus on Covid relief to the nearby communities around our sites. Apart from this, the local ZP schools have been refurbished and the basic amenities were provided. The local women have been empowered by providing tailoring classes.

The Company has a CSR Committee at every site and HQ who help to identify activities in the 3 focus areas. All programs are implemented inhouse. Every site follows the laid down procedure of identifying activities, taking approvals and on approval, executing and later preparing a detailed report which is shared with the Country CSR department and the Board CSR committee.

Also, the impact of support is monitored at regular intervals. CSR activities are aligned as per the need assessment done before initiating any activity.

The Company has spent INR 95 Lakhs towards community development. The details of the activities undertaken by sites and HQ are provided in the "Annexure- B" of the Directors' Report, forming part of the Annual Report for Financial year 2021-22.

This year we have followed the path differently, our activities were also focused towards COVID relief to

the communities around our sites. Keeping in line with our focus area 'Health & Safety' and the current COVID situation, we supported nearby communities by distributing disinfectants, sanitizers, masks, oximeters etc. and also educating the importance of preventive measures.

**Principle 9**

There were no Consumer cases pending as on the end of Financial year against the Company.

Your Company adheres to all applicable laws and regulations on product labelling. Global Labeling Management (GLM) tool is implemented for correct labelling of our products and easy identification during transportation. Apart from the regulatory requirements, additional declarations relating to the safe handling and usage of the products are made available on the labels.

Moreover, there were no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and/or pending as on end of Financial year.

**Consumer satisfaction trends**

The Company focuses on Customer satisfaction and survey is carried out by global functions/ Business Units (BU) as per set interval and the findings are shared to regional BU/Service Unit (SU) team for necessary improvement actions, if any.

**For and on behalf of the Board of Directors**

**Ravi Kapoor**  
Chairman  
DIN (01761752)

**Bharath R. Sesha**  
Managing Director  
DIN (01983066)

Navi Mumbai, May 24, 2022

# 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 financial statements of **Clariant Chemicals (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

**Key Audit Matter****Assessment of contingencies and provision for Income tax and Indirect tax matters**

(Refer notes 6, 22 and 35 to the financial statements).

The Company has various ongoing Income tax and Indirect tax matters under litigation.

The assessment of likely outcome of the tax matters and related outflow of resources involves significant judgment on the positions taken by the management which are based on the application and interpretation of law.

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.

**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 (ICAI) 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 for the year ended March 31, 2022. This matter is 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 this matter.

**How the Key Audit Matter was addressed in our audit****Our audit procedures in respect of this area included but are not limited to following:**

1. Understood and evaluated the design and tested the operating effectiveness of controls in respect of assessment of income tax, indirect tax matters and expenses related thereon, if any.
2. Read the orders received by the Company from the tax authorities and opinions sought from the management's experts.
3. Discussed ongoing matters under dispute and developments with the Management, the Audit Committee and management expert and the future course of action by the Company.
4. Involved auditor's tax experts to assist us in the assessment of the possible outcome of certain cases and reviewing expense thereon.
5. Evaluated the evidence supporting the judgment of the management about possible outcomes and the reasonableness of the estimates.
6. Assessed and validated the appropriateness and adequacy of disclosures in the financial statements.

To the Members of Clariant Chemicals (India) Limited *(continued)*

### Information Other than the Financial Statements and Auditor's Report Thereon

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

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.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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

To the Members of Clariant Chemicals (India) Limited *(continued)*

as required by law have been kept by the Company so far as it appears from our examination of those books except that the backup 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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) 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 35 to the Financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

- iv.
  1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- The Company has neither declared nor paid any dividend during the year.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

**Vishal Vilas Divadkar**  
Partner  
Place: Mumbai      Membership No.: 118247  
Date: May 24, 2022      UDIN: 22118247AJMPIS3141

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF CLARIANT CHEMICALS (INDIA) LIMITED

#### Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 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.

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.

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.

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 for the year ended March 31, 2022 (current year) 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

**Vishal Vilas Divadkar**  
Partner  
Place: Mumbai      Membership No.: 118247  
Date: May 24, 2022      UDIN: 22118247AJMPIS3141

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CLARIANT CHEMICALS (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules

made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, 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.

vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we 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, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR in lakhs)	Amount paid under protest (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax and Local Sales Tax Acts	Sales and value-added tax liabilities including interest and penalty, as applicable	2.27	Nil	from FY 1996-97 to FY 1998-99	High Court of Tamil Nadu
		331.79	122.27	FY 2004-05, FY 2006-07, FY 2008-09 and FY 2009-10	Sales Tax Appellate Tribunal
		358.08	61.28	FY 1998-99, FY 2002-03, FY 2003-04, FY 2005-06, FY 2007-08, FY 2009-10 and from FY 2012-13 to FY 2017-18, FY 2015-16, FY 2016-17	Commissioner (Appeals) at various level
Income Tax Act, 1961	Income tax liability including interest and penalty, as applicable.	1,772.22	Nil	from FY 1982-83 to FY 1986-87, FY 1989-1990, FY 1991-1992, FY 1993-1994, FY 1995-1996, FY 1997-98, FY 1998-99, FY 2000-2001, FY 2001-2002 and FY 2011-2012	Income Tax Appellate Tribunal
		1347.04	Nil	FY 2001-02, FY 2002-03, FY 2020-21 and FY 2021-22	Commissioner (Appeals) and Assessing Officer
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	73.74	Nil	from FY 2001-02 to FY 2003-04 and FY 2006-07	CESTAT
		482.88	6.17	from FY 1994-95 to FY 1997-98, FY 2017-18, FY 2016-17	Commissioner (Appeals) and Joint Commissioner (Appeals)
Finance Act, 1994	Service tax including interest and penalty, as applicable	1.64	Nil	from FY 2006-07 to FY 2009-10	CESTAT
				FY 1996-1997 and from FY 2002-03 to FY 2004-05	Commissioner (Appeals) and Assistant Commissioner (Appeals)



- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(f) of the order is not applicable to the Company.
- x.
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- (a) During the course of our audit, 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 nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii.
- (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. According to the information and explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai Membership No.: 118247  
Date: May 24, 2022 UDIN: 22118247AJMPIS3141

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

### REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CLARIANT CHEMICALS (INDIA) LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in 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, 2022]

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

##### Opinion

We have audited the internal financial controls with reference to financial statements of **Clariant Chemicals (India) Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements 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) (the "Guidance Note").

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

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 with reference to financial statements.

#### Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control 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 control 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: May 24, 2022

Membership No.: 118247  
UDIN: 22118247AJMPIS3141



# BALANCE SHEET

as at March 31, 2022

	Notes	31-03-2022	31-03-2021
(₹ in Lakhs)			
<b>Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment and intangible assets	3A & 3C	14,056.71	14,001.80
(b) Capital work-in-progress	3D	810.70	860.67
(c) Goodwill	3B	894.11	894.11
(d) Right of use assets	23A	26.32	57.37
(e) Financial assets			
(i) Loans	4	17.65	-
(ii) Other financial assets	5	469.34	423.73
(f) Other non-current assets	6	1,529.25	1,261.45
(g) Non-current tax assets (net)		5,096.02	4,880.79
<b>Total Non-Current Assets</b>		<b>22,900.10</b>	<b>22,379.92</b>
<b>Current Assets</b>			
(a) Inventories	7	14,967.29	13,471.87
(b) Financial assets			
(i) Investments	8	930.13	964.69
(ii) Trade receivables	9	16,832.28	16,978.38
(iii) Cash and cash equivalents	10	692.59	2,425.31
(iv) Bank balances other than (iii) above	10	511.92	798.98
(v) Loans	11	12.23	402.99
(vi) Other financial assets	12	17.17	14.40
(c) Other current assets	13	6,739.50	5,684.81
(d) Assets held for sale	14 & 42	-	1,782.27
<b>Total Current Asset</b>		<b>40,703.11</b>	<b>42,523.70</b>
<b>TOTAL ASSETS</b>		<b>63,603.21</b>	<b>64,903.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	2,308.18	2,308.18
(b) Other equity	16	39,078.32	38,413.45
<b>Total Equity</b>		<b>41,386.50</b>	<b>40,721.63</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	23C	-	20.53
(b) Provisions	17	513.68	657.16
(c) Deferred tax liabilities (net)	18	814.34	662.80
<b>Total Non-Current Liabilities</b>		<b>1,328.02</b>	<b>1,340.49</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		236.30	784.42
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		16,746.92	17,062.66
(ii) Lease liabilities	23B	20.53	32.79
(iii) Other financial liabilities	20	1,941.49	2,118.71
(b) Other current liabilities	21	201.89	247.69
(c) Provisions	22	752.58	989.05
(d) Current tax liabilities (net)		988.98	1,606.18
		20,888.69	22,841.50
<b>Total Current Liabilities</b>		<b>20,888.69</b>	<b>22,841.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,603.21</b>	<b>64,903.62</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 M S K A & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247

Mumbai, May 24, 2022

For and on behalf of the Board of Directors,  
**Clariant Chemicals (India) Limited**  
CIN: L24110MH1956PLC010806

**K. Handa** Director  
DIN: 00056826

**Dr. I. Shahani** Director  
DIN: 00112289

**B. Sessa** Managing Director  
DIN: 01983066

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

Mumbai, May 24, 2022

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

	Notes	Year Ended	Year Ended
		31-03-2022	31-03-2021
(₹ in Lakhs)			
<b>INCOME</b>			
Revenue from operations	24	83,951.00	73,077.00
Other income	25	867.00	1,478.52
<b>Total Income</b>		<b>84,818.00</b>	<b>74,555.52</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	47,960.32	38,557.34
Purchases of stock-in-trade		7,202.01	5,566.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,665.00)	(673.67)
Employee benefits expense	28	6,389.60	6,348.70
Finance costs	29	47.37	259.67
Depreciation and amortisation expense	30	2,034.70	3,597.19
Other expenses	31	17,899.47	15,092.11
<b>Total Expenses</b>		<b>79,868.47</b>	<b>68,748.00</b>
<b>Profit before tax and exceptional item from continuing operations</b>		<b>4,949.53</b>	<b>5,807.52</b>
Exceptional items (Note 42)		-	25,479.88
<b>Profit before tax from continuing operations</b>		<b>4,949.53</b>	<b>31,287.40</b>
<b>Income Tax Expense</b>			
Current tax (Including on exceptional item ₹ 7,014.29 lakhs in previous year March 2021)		1,163.47	8,585.01
Deferred tax		115.48	136.65
Tax expense of prior years		(661.41)	699.07
<b>Total Tax Expenses</b>		<b>617.54</b>	<b>9,420.73</b>
<b>Net Profit for the period from continuing operations (after tax)</b>		<b>4,331.99</b>	<b>21,866.67</b>
Profit from discontinued operations before tax		-	170.81
Tax expense of discontinued operations		-	61.04
<b>Profit for the year from discontinued operations</b>		<b>-</b>	<b>109.77</b>
<b>Profit for the period from continuing and discontinued operations (after tax)</b>		<b>4,331.99</b>	<b>21,976.44</b>
<b>Other comprehensive income from continuing operations (net of tax)</b>			
(Items that will not be reclassified to profit or loss)			
From Continuing Operations			
(a) Remeasurement of the defined benefit plans		143.07	5.19
(b) Income tax relating to Items that will not be reclassified to profit or loss		(36.06)	(1.31)
		107.01	3.88
<b>Other comprehensive loss from discontinued Operations (net of tax)</b>			
(a) Remeasurement of the defined benefit plans		-	(71.68)
(b) Income tax relating to Items that will not be reclassified to profit or loss		-	18.04
		-	(53.64)
		107.01	(49.76)
<b>Total comprehensive income for the period</b>		<b>4,439.00</b>	<b>21,926.68</b>
<b>Earnings per share (of ₹ 10 each)</b>			
<b>Continuing operations</b>			
Basic and diluted (₹)		18.77	94.74
<b>Discontinued operations</b>			
Basic and diluted (₹)		-	0.48
<b>Continuing and discontinued operations</b>			
Basic and diluted (₹)		18.77	95.22

The accompanying notes are an integral part of these financial statements  
In terms of our report attached

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247

Mumbai, May 24, 2022

For and on behalf of the Board of Directors,  
**Clariant Chemicals (India) Limited**  
CIN: L24110MH1956PLC010806

**K. Handa** Director  
DIN: 00056826

**Dr. I. Shahani** Director  
DIN: 00112289

**B. Sessa** Managing Director  
DIN: 01983066

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

Mumbai, May 24, 2022

# STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Lakhs, unless otherwise stated)

Equity share capital and other equity  
For the year ended 31-03-2022

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 01-04-2021</b>	2,308.18	730.11	495.39	10,492.29	378.06	26,317.60	38,413.45
Profit for the year	-	-	-	-	-	4,331.99	4,331.99
Other comprehensive income for the year	-	-	-	-	-	107.01	107.01
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>4,439.00</b>	<b>4,439.00</b>
Final dividend paid (₹ 15 per share)	-	-	-	-	-	(3,462.27)	(3,462.27)
Recognition of share based expenses during the year	-	-	-	-	94.38	-	94.38
Reclassified to Other Financial Liabilities for Cash settlement	-	-	-	-	(258.46)	-	(258.46)
Reversal of vested option forfeited	-	-	-	-	(66.20)	66.20	-
Reversal of unvested option forfeited	-	-	-	-	(147.78)	-	(147.78)
<b>Balance as at 31-03-2022</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>-</b>	<b>27,360.53</b>	<b>39,078.32</b>

For the year ended 31-03-2021

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 01-04-2020</b>	2,308.18	730.11	495.39	10,492.29	329.46	50,785.33	62,832.58
Profit for the year	-	-	-	-	-	21,976.44	21,976.44
Other comprehensive income for the year	-	-	-	-	-	(49.76)	(49.76)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>21,926.68</b>	<b>21,926.68</b>
Final dividend paid (₹ 11 per share)	-	-	-	-	-	(2,538.99)	(2,538.99)
1st Interim dividend paid (₹ 140 per share)	-	-	-	-	-	(32,314.52)	(32,314.52)
2nd Interim dividend paid (₹ 50 per share)	-	-	-	-	-	(11,540.90)	(11,540.90)
Recognition of share based expenses during the year	-	-	-	-	48.60	-	48.60
<b>Balance as at 31-03-2021</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>378.06</b>	<b>26,317.60</b>	<b>38,413.45</b>

There are no changes in equity share capital due to prior period errors

#### 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. Further, reclassification and reversal in deemed contribution from parent is effected due to closure of the scheme at group level.
- (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 M S K A & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247

Mumbai, May 24, 2022

For and on behalf of the Board of Directors,  
**Clariant Chemicals (India) Limited**  
CIN: L24110MH1956PLC010806

**K. Handa** Director  
DIN: 00056826

**Dr. I. Shahani** Director  
DIN: 00112289

**B. Sesha** Managing Director  
DIN: 01983066

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

Mumbai, May 24, 2022

# CASH FLOW STATEMENT

(₹ in Lakhs)

	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>A. Cash flow from operating activities :</b>		
<b>Profit before tax</b>		
Continuing operations	4,949.53	31,287.40
Discontinued operations	-	170.81
<b>Total Profit before tax</b>	<b>4,949.53</b>	<b>31,458.21</b>
Adjustments for:		
Depreciation and amortisation expense	2,034.70	3,597.19
Unrealised foreign exchange loss (net)	91.48	58.55
Interest income	(25.24)	(93.93)
(Profit) / Loss on sale of property, plant and equipment	(602.26)	271.00
Fair value gain on investments	(21.48)	(313.95)
Employee share based payments expense	94.38	48.61
Forfeiture of unvested ESOP options	(146.50)	-
Provision for allowances for credit losses	27.88	78.39
Finance costs	47.37	265.11
Profit on termination of Lease	-	(269.45)
Insurance claim received	(23.64)	-
Exceptional Item (Profit on sale of Masterbatch business)	-	(25,479.88)
<b>Operating profit before working capital changes</b>	<b>6,426.22</b>	<b>9,619.85</b>
<b>Adjustments for (Increase)/Decrease in working capital :</b>		
Trade receivables	44.49	(1,753.93)
Other current assets	(1,054.69)	(470.69)
Other non current assets	(267.80)	537.92
Other financial assets	611.79	(380.19)
Inventories	(1,495.42)	(551.22)
Trade payables	(882.08)	1,803.53
Non current provisions	-	37.43
Current provisions	(236.47)	24.86
Other current liabilities	(45.80)	(678.40)
Other financial liabilities	(451.51)	(126.75)
<b>Cash generated from operations</b>	<b>2,648.73</b>	<b>8,062.41</b>
Taxes paid (net of refunds)	(1,334.51)	(2,394.77)
<b>Net cash generated from operating activities</b>	<b>1,314.22</b>	<b>5,667.64</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of property, plant and equipment (Including Capital work-in-progress)	(2,014.43)	(957.72)
Sale proceeds of property, plant and equipment	2,390.48	19.91
Purchase of current investments	(29,128.54)	(103,390.62)
Sale proceeds of current investments	29,184.71	110,869.04
Insurance claim received	23.64	-
Consideration received on sale of Master Batch business (Net of expenses incurred)	-	41,892.02
Interest received	25.24	111.48
<b>Cash generated from investing activities</b>	<b>481.10</b>	<b>48,544.11</b>
Taxes paid on sale of Master Batch business	-	(7,014.93)
<b>Net cash generated from investing activities</b>	<b>481.10</b>	<b>41,529.18</b>
<b>C. Cash flow from financing activities :</b>		
Finance costs paid	(29.51)	(26.03)
Dividend paid	(3,462.27)	(46,394.41)
Principal payment of lease liability	(32.79)	(705.50)
Interest payment of lease liabilities	(3.47)	(233.91)
<b>Net Cash used in financing activities</b>	<b>(3,528.04)</b>	<b>(47,359.85)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,732.72)</b>	<b>(163.03)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<b>2,425.31</b>	<b>2,588.34</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (NET OF BANK OVERDRAFT)</b>	<b>692.59</b>	<b>2,425.31</b>
<b>Cash flow for discontinued operations</b>		
Net cash outflow from operating activities	-	(973.25)
Net cash outflow from investing activities	-	(102.69)
Net increase in cash used in the discontinued operation	-	(1,075.94)

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements  
In terms of our report attached

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247

Mumbai, May 24, 2022

For and on behalf of the Board of Directors,  
**Clariant Chemicals (India) Limited**  
CIN: L24110MH1956PLC010806

**K. Handa** Director  
DIN: 00056826

**Dr. I. Shahani** Director  
DIN: 00112289

**B. Sesha** Managing Director  
DIN: 01983066

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

Mumbai, May 24, 2022



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Company Information:

Clariant Chemicals (India) Limited (the 'Company') is a public limited Company domiciled in India and is listed on the BSE 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 and Madhya Pradesh.

**Note 1: Summary of Significant accounting policies**  
This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

## (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 sell;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments

## Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time.

**On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:**

### Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that

relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in 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.

**Specialty Chemicals:** Includes dyestuff, synthetic resins, functional effects and coating, auxiliaries and 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 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. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses). 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

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.

Export benefits / incentives are accounted on accrual basis when relevant exports are made.

Commission income are recognized only when the relevant service has been rendered or the goods have been delivered.

**(e) Other income**

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 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**

**i. As a Lessee:**

Leases are recognised as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand alone prices.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees, if any Lease payments to be made under reasonably certain extension options are

also included in the measurement of the liability. The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment and based on company's standalone credit worthiness.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs for new leases

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the note 1(h) impairment of assets. Variable rents that do not depend on an index

or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss.

**ii. As a lessor:**

Lease income from operating leases where the Company is 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 increases. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The Company did not need to make any adjustment to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**(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 and discontinued operations**

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 increases 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 amounts due from customers for goods sold or services performed in the ordinary course of business. 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. Cost of purchased inventory are determined

after deducting rebates and discounts. 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). Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

**(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). 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 33 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

Asset	Useful Life	Asset	Useful Life
Factory building	30 Years	Computers	4 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.

**(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.

**(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 or constructive 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 not recognised for future operating losses.

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 is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is 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 avilment 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 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 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.

**(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 35
- 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
- Determination of Lease term - Note 1(g) and 23

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.

### Impact of COVID-19:

The company has taken into account external and Internal information for assessing possible impact of COVID-19 on various elements of its financial statements, including recoverability of its assets. An evaluation of Impact of COVID-19 on Internal financial controls over financial reporting concluded that there is no impact of COVID-19 there on. while, the Management of the company does not expect any material Impact to arise due to pandemic, actual impact may differ from that estimated as at the date of approval of these financial statements. The company will continue to closely monitor any material change in future economic conditions due to COVID-19.

Notes forming part of the financial statements as at March 31, 2022  
(All amounts in ₹ Lakhs, unless otherwise stated)

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

Description	Gross block				As at 31-03-2022	Depreciation / Amortisation				Net block	
	As at 01-04-2021	Additions	Deductions	Asset classified as held for sale (Refer Note 42(c))		As at 01-04-2021	Deductions	For the year	Asset classified as held for sale (Refer Note 42(c))	As at 31-03-2022	As at 31-03-2022
<b>3A Property, plant and equipment</b>											
Land freehold	235.90	-	-	-	235.90	-	-	-	-	-	235.90
Buildings	8,366.35	239.81	-	-	8,606.16	1,838.84	-	302.13	-	2,140.97	6,465.19
Plant and equipment	16,901.56	1,716.41	74.52	-	18,543.45	10,008.04	68.89	1,552.20	-	11,491.35	7,052.10
Furniture and fixtures	298.93	27.60	0.03	-	326.50	78.93	0.03	54.50	-	133.40	193.10
Office equipment	621.93	30.32	9.72	-	642.53	621.93	9.57	26.42	-	638.78	3.75
Vehicles	553.06	50.28	80.82	-	522.52	428.19	80.85	68.51	-	415.85	106.67
<b>Total</b>	<b>26,977.73</b>	<b>2,064.42</b>	<b>165.09</b>	<b>-</b>	<b>28,877.06</b>	<b>12,975.93</b>	<b>159.34</b>	<b>2,003.76</b>	<b>-</b>	<b>14,820.35</b>	<b>14,056.71</b>
<b>3B Goodwill</b>											
Goodwill	894.11	-	-	-	894.11	-	-	-	-	-	894.11
<b>3C Other intangible assets</b>											
Non compete fees	53.00	-	-	-	53.00	53.00	-	-	-	53.00	-
<b>Total</b>	<b>53.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53.00</b>	<b>53.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53.00</b>	<b>-</b>
<b>3D Capital Work-in-Progress</b>	<b>860.67</b>	<b>2,014.44</b>	<b>2,064.41</b>	<b>-</b>	<b>810.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>810.70</b>

Description	Gross block				As at 31-03-2021	Depreciation / Amortisation				Net block	
	As at 01-04-2020	Additions	Deductions	Asset classified as held for sale (Refer Note 42(c))		As at 01-04-2020	Deductions	For the year	Asset classified as held for sale (Refer Note 42(c))	As at 31-03-2021	As at 31-03-2021
<b>3A Property, plant and equipment</b>											
Land freehold	235.90	-	-	-	235.90	-	-	-	-	-	235.90
Buildings	10,558.52	114.33	259.81	2,046.69	8,366.35	2,702.64	61.41	524.16	1,326.55	1,838.84	6,527.51
Plant and equipment	19,008.12	329.42	77.31	2,358.67	16,901.56	9,604.52	65.67	2,001.51	1,532.32	10,008.04	6,893.52
Furniture and fixtures	961.77	-	6.30	656.54	298.93	341.70	7.19	165.18	420.76	78.93	220.00
Office equipment	1,805.36	12.92	44.84	1,151.51	621.93	1,779.70	40.42	34.16	1,151.51	621.93	-
Vehicles	592.71	20.39	60.04	-	553.06	379.52	48.94	97.61	-	428.19	124.87
<b>Total</b>	<b>33,162.38</b>	<b>477.06</b>	<b>448.30</b>	<b>6,213.41</b>	<b>26,977.73</b>	<b>14,808.08</b>	<b>223.63</b>	<b>2,822.62</b>	<b>4,431.14</b>	<b>12,975.93</b>	<b>14,001.80</b>
<b>3B Goodwill</b>											
Goodwill	894.11	-	-	-	894.11	-	-	-	-	-	894.11
<b>3C Other intangible assets</b>											
Trademarks	-	-	-	-	-	-	-	-	-	-	-
Non compete fees	53.00	-	-	-	53.00	53.00	-	-	-	53.00	-
<b>Total</b>	<b>53.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53.00</b>	<b>53.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53.00</b>	<b>-</b>
<b>3D Capital Work-in-Progress</b>	<b>331.51</b>	<b>992.91</b>	<b>463.75</b>	<b>-</b>	<b>860.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>860.67</b>

### Note 3B: Goodwill

Impairment testing mechanism to the cash-generating unit is as follows :

The recoverable amount of the CGU is determined based on a value in use calculation which uses cash flow projections covering a five-year period and a discount rate **11.87%** per annum (31-03-2021 : 11.05% per annum). 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 (31-03-2021 : 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.



	As at 31-03-2022	As at 31-03-2021
<b>4 Non-current financial assets : Loans</b>		
Loans to employees (Unsecured, considered good)	17.65	-
	<b>17.65</b>	-
<b>5 Non-current financial assets : Others</b>		
Security and other deposits (Unsecured, considered good)	469.34	423.73
	<b>469.34</b>	<b>423.73</b>
<b>6 Other non-current assets</b>		
Capital advances	87.65	53.04
Indirect taxes recoverable	1,030.27	1,199.86
Prepayments	-	8.55
Other receivables	411.33	-
	<b>1,529.25</b>	<b>1,261.45</b>
<b>7 Current assets : Inventories</b>		
(Valued at the lower of cost and net realisable value)		
Raw materials	4,256.69	4,496.13
Packing materials	234.21	255.09
Work-in-progress	3,452.16	2,944.49
Finished goods	5,807.93	4,458.06
Stock-in-trade	659.75	852.29
Stores and spares	556.55	465.81
	<b>14,967.29</b>	<b>13,471.87</b>
<b>Included above , goods in transit</b>		
Raw materials	237.23	290.03
Stock-in-trade	162.33	485.66
	<b>399.56</b>	<b>775.69</b>
<b>8 Current financial assets : Investments</b>		
<b>Unquoted Investments ( All fully paid)</b>		
<b>Investments in Mutual funds</b>		
SBI Overnight Fund - Gr	930.13	-
UTI Mutual Fund - Overnight Fund - Growth	-	964.69
	<b>930.13</b>	<b>964.69</b>
Of the above, investments mandatorily measured at FVTPL	930.13	964.69
<b>9 Current financial assets :Trade receivables</b>		
Secured, considered good	380.05	364.68
Unsecured, considered good	16,452.23	16,613.70
Unsecured, considered doubtful	130.13	152.49
	<b>16,962.41</b>	<b>17,130.87</b>
Less: Allowances for bad and doubtful debts	130.13	152.49
	<b>16,832.28</b>	<b>16,978.38</b>

### Notes to the financial statements for the year ended March 31, 2022

#### Trade Receivables Ageing Schedule

Particulars	Unbilled Dues	Not Due	Current					Total
			Outstanding for following periods from due date of Receipts					
			Less than 6 months	6 months - 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
<b>31-Mar-2022</b>								
(i) Undisputed Trade receivables - considered good	-	15,595.85	1,279.60	16.35	0.37	-	70.24	16,962.41
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	-	130.13
	-	<b>15,595.85</b>	<b>1,279.60</b>	<b>16.35</b>	<b>0.37</b>	-	<b>70.24</b>	<b>16,832.28</b>

Particulars	Unbilled Dues	Not Due	Current					Total
			Outstanding for following periods from due date of Receipts					
			Less than 6 months	6 months - 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
<b>31-Mar-2021</b>								
(i) Undisputed Trade receivables - considered good	-	16,736.28	216.30	28.05	0.63	30.96	118.65	17,130.87
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	-	152.49
	-	<b>16,736.28</b>	<b>216.30</b>	<b>28.05</b>	<b>0.63</b>	<b>30.96</b>	<b>118.65</b>	<b>16,978.38</b>

Further classified as:	As at 31-03-2022	As at 31-03-2021
Receivable from related parties (Refer note 41)	7,469.96	6,757.26
Receivable from others	9,362.32	10,221.12
	<b>16,832.28</b>	<b>16,978.38</b>

<b>10 Current financial assets : Cash and cash equivalents</b>		
<b>Cash and cash equivalents :</b>		
Cash on hand	1.06	0.51
In current accounts	545.43	1,914.80
Term deposits with original maturity of less than three months	146.10	510.00
	<b>692.59</b>	<b>2,425.31</b>

	As at 31-03-2022	As at 31-03-2021
<b>Other bank balances :</b>		
Earmarked current account : Unclaimed dividend	511.92	798.98
	511.92	798.98
<b>11 Current financial assets : Loans</b>		
Security and other deposits (Unsecured, considered good)	-	393.71
Loans to employees (Unsecured, considered good)	12.23	9.28
	12.23	402.99
<b>12 Current financial assets : Others</b>		
Non trade receivables	17.17	14.40
	17.17	14.40
<b>13 Other current assets</b>		
Advances to suppliers	967.29	496.38
Balance with Government authorities	4,748.78	3,828.82
Prepayments	317.28	118.72
Export incentives receivable	565.09	758.02
Gratuity Fund asset balance	93.07	-
Other current assets	47.99	482.87
	6,739.50	5,684.81
<b>14 Assets / (Liabilities) classified as held for sale</b>		
Assets classified as held for sale (Refer note 42)	-	1,782.27
	-	1,782.27
<b>15 Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 equity shares of ₹ 10/- each	3,000.00	3,000.00
<b>Issued, subscribed and paid up</b>		
2,30,81,798 equity shares of ₹ 10/- each fully paid up (31-03-2021 : 2,30,81,798 )	2,308.18	2,308.18

	As at 31-03-2022		As at 31-03-2021	
	Number	₹	Number	₹
<b>15A Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year</b>				
<b>Equity shares :</b>				
Outstanding as at the beginning of the year	23,081,798	2,308.18	23,081,798	2,308.18
Outstanding as at the end of the year	23,081,798	2,308.18	23,081,798	2,308.18
<b>15B Shares held by subsidiaries of the ultimate holding company Clariant AG, Switzerland :</b>		%		%
<b>Name of Shareholder</b>				
EBITO Chemiebeteteiligungen AG. *	41,09,426	17.80%	41,09,426	17.80%
Colorants International AG*	84,39,385	36.56%	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.

<b>15C Promoter's Shareholding</b>	As at 31-03-2022		As at 31-03-2021		% Change during current year	% Change during previous year
	Number	%	Number	%		
<b>Name of Shareholder</b>						
EBITO Chemiebeteteiligungen AG	41,09,426	17.80%	41,09,426	17.80%	-	-
Colorants International AG	84,39,385	36.56%	76,62,624	33.20%	3.37%	-

#### Notes forming part of the financial statements as at March 31, 2022 (All amounts in ₹ Lakhs, unless otherwise stated)

<b>15D</b>	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		
<b>15E</b>	<b>Shares bought back (during 5 financial years immediately preceding March 31, 2022)</b>		
	No Equity Shares bought back during 5 financial years immediately preceding March 31, 2022		
<b>15F</b>	<b>Rights, preferences and restrictions attached to shares</b>		
	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.		
<b>16</b>	<b>Other equity</b>	As at 31-03-2022	As at 31-03-2021
	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)	-	378.06
	Retained earnings	27,360.53	26,317.60
		39,078.32	38,413.45
<b>17</b>	<b>Non - current liabilities : Provisions</b>		
	<b>Provision for employee benefits</b>		
	Compensated absences	513.68	584.03
	Gratuity (Refer Note 39)	-	73.13
		513.68	657.16
<b>18</b>	<b>Deferred tax liabilities (Net)</b>		
	<b>Deferred tax liabilities</b>		
	Property, plant and equipment and investment properties	921.03	894.40
	Goodwill	225.04	225.04
		1,146.07	1,119.44
	<b>Deferred tax for assets</b>		
	Allowance credit losses and doubtful receivables	32.75	38.38
	Provision for employee benefits	149.39	260.32
	Other provisions	147.36	154.97
	Others	2.23	2.97
		331.73	456.64
		814.34	662.80

#### Movements in deferred tax liabilities (net) for the year ended 31-03-2022

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	Discontinued operations	Closing balance
Property, plant and equipment and investment properties	894.40	26.63	-	-	921.03
Goodwill	225.04	-	-	-	225.04
Allowance credit losses and doubtful receivables	(38.38)	5.63	-	-	(32.75)
Provision for employee benefits	(260.32)	74.87	36.06	-	(149.39)
Other provisions	(154.97)	7.61	-	-	(147.36)
Others	(2.97)	0.74	-	-	(2.23)
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>662.80</b>	<b>115.48</b>	<b>36.06</b>	<b>-</b>	<b>814.34</b>



Notes forming part of the financial statements as at March 31, 2022  
(All amounts in ₹ Lakhs, unless otherwise stated)

Movements in deferred tax liabilities (net) for the year ended 31-03-2021

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	Discontinued operations	Closing balance
Property, plant and equipment and investment properties	1,129.66	(235.26)	-	-	894.40
Goodwill	-	225.04	-	-	225.04
Allowance credit losses and doubtful receivables	(51.37)	12.99	-	-	(38.38)
Provision for employee benefits	(362.77)	101.14	1.31	-	(260.32)
Other provisions	(187.01)	32.04	-	-	(154.97)
Others	(3.67)	0.70	-	-	(2.97)
<b>Net Deferred Tax Liabilities / (Assets)</b>	<b>524.84</b>	<b>136.65</b>	<b>1.31</b>	<b>-</b>	<b>662.80</b>

	As at 31-03-2022	As at 31-03-2021
<b>19 Current financial liabilities :Trade payables</b>		
Trade Payables:		
- Total outstanding dues of micro and small enterprises (Refer Note 37)	236.30	784.42
- Total outstanding dues of creditors other than micro enterprises and small enterprises "	16,746.92	17,062.66
	<b>16,983.22</b>	<b>17,847.08</b>

Trade Payable Ageing Schedule

Particulars	31-Mar-2022						
	Unbilled Dues	Payables Not Due	Current				Total
			Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) MSME	1.93	234.37	-	-	-	-	236.30
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	5,665.77	8,682.19	2,357.46	16.80	2.80	21.90	16,746.92
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>5,667.70</b>	<b>8,916.56</b>	<b>2,357.46</b>	<b>16.80</b>	<b>2.80</b>	<b>21.90</b>	<b>16,983.22</b>

Particulars	31-Mar-2021						
	Unbilled Dues	Payables Not Due	Current				Total
			Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) MSME	258.68	525.73	-	-	-	-	784.42
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	4,770.82	10,112.57	2,085.17	10.87	12.76	70.48	17,062.66
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>5,029.50</b>	<b>10,638.30</b>	<b>2,085.17</b>	<b>10.87</b>	<b>12.76</b>	<b>70.48</b>	<b>17,847.08</b>

	As at 31-03-2022	As at 31-03-2021
<b>20 Current financial liabilities : Others</b>		
Security and other deposits	380.16	468.49
Employee payables	957.07	778.82
Payables for capital expenditure	47.00	13.33
Accrued liabilities	45.34	59.09
Unclaimed dividend *	511.92	798.98
	<b>1,941.49</b>	<b>2,118.71</b>
*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
<b>21 Other current liabilities</b>		
Advances from customers - Contract liabilities *	71.15	87.54
Statutory dues (including provident fund and withholding taxes)	122.78	150.68
Other liabilities	7.96	9.47
	<b>201.89</b>	<b>247.69</b>
*There has been no significant change in the contract liabilities and entire amount has been recognised as a revenue during current year from opening contract liabilities.		
<b>22 Current liabilities : Provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	172.92	127.09
Gratuity (Refer Note 39)	-	250.00
<b>Other Provisions</b>		
Provision for indirect tax matters	579.66	611.96
	<b>752.58</b>	<b>989.05</b>
<b>22A Movements in provision for indirect tax matters</b>		
Opening balance	611.96	533.26
Provision during the period	298.34	78.70
Amount utilised	(330.64)	-
<b>Closing balance</b>	<b>579.66</b>	<b>611.96</b>
The provision for Indirect tax matters is an estimated amount to be paid to various government authorities on settlement of disputes at various forums.		
The Company has concluded the exercise of seeking additional details by involving independent professionals for reasonably determining the amounts pertaining to old legacy indirect tax cases.		
The Company has recorded a provision of ₹245 lakh along with the interest based on the management's best estimate where the outflow of resource is considered probable.		
<b>23 Leases</b>		
<b>23A Right-of-use Assets</b>		
Building	18.02	48.91
Land	8.30	8.46
	<b>26.32</b>	<b>57.37</b>
<b>23B Current Lease liabilities</b>		
Lease liabilities	20.53	32.79
	<b>20.53</b>	<b>32.79</b>
<b>23C Non- Current Lease liabilities</b>		
Lease liabilities	-	20.53
	<b>-</b>	<b>20.53</b>

Notes forming part of the financial statements for the quarter and year ended March 31, 2022  
(All amounts in ₹ Lakhs, unless otherwise stated)

	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>24 Revenue from operations (Refer Note 43)</b>		
<b>Revenue from contracts with customers</b>		
Sale of products	81,313.06	68,841.61
Sale of services	1,711.45	3,016.08
<b>Other operating revenue</b>		
Export incentives	507.78	653.50
Commission income	280.88	277.97
Reversal of provision for credit losses	-	192.71
Scrap sale	137.83	95.13
	<b>83,951.00</b>	<b>73,077.00</b>
<b>25 Other income</b>		
<b>Interest income on financial assets at amortised cost</b>		
Fixed deposits	1.27	79.76
Others	23.97	9.11
<b>Rental income</b>		
Sublease of office premises	55.66	806.25
<b>Other gains and losses</b>		
Net Gain on disposal of property, plant and equipment	602.26	-
Foreign exchange gain (net)	138.72	-
Net gain on financial assets mandatorily measured at FVTPL	21.48	313.95
Net gain on termination of Lease	-	269.45
Insurance Claims	23.64	-
	<b>867.00</b>	<b>1,478.52</b>
<b>26 Cost of materials consumed *</b>		
Raw materials consumed	46,335.91	37,234.00
Packing materials consumed	1,624.41	1,323.34
	<b>47,960.32</b>	<b>38,557.34</b>
* Cost of materials consumed is based on derived values.		
<b>27 Changes in inventories</b>		
<b>Opening inventories</b>		
Finished goods	4,458.06	4,175.54
Stock-in-trade	852.29	912.44
Work - in - progress	2,944.49	2,493.19
	<b>8,254.84</b>	<b>7,581.17</b>
<b>Less: Closing inventories</b>		
Finished goods	5,807.93	4,458.06
Stock-in-trade	659.75	852.29
Work - in - progress	3,452.16	2,944.49
	<b>9,919.84</b>	<b>8,254.84</b>
Changes in inventories	<b>(1,665.00)</b>	<b>(673.67)</b>
<b>28 Employee benefits expense</b>		
Salaries, wages, bonus, etc.	5,166.01	4,996.06
Gratuity and ex-gratia	160.30	237.85
Contribution to provident fund	250.04	249.27
Contribution to superannuation fund	85.37	85.93
Share based payments (Refer Note 40)	(53.40)	48.61
Staff welfare expenses	781.28	730.98
	<b>6,389.60</b>	<b>6,348.70</b>
<b>29 Finance costs</b>		
Interest expenses - on financial liability at amortised cost	43.90	25.76
Interest cost on lease liabilities	3.47	233.91
	<b>47.37</b>	<b>259.67</b>
<b>30 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment	2,003.79	2,822.62
Depreciation on right-of-use assets	30.91	774.57
	<b>2,034.70</b>	<b>3,597.19</b>

Notes forming part of the financial statements for the quarter and year ended March 31, 2022  
(All amounts in ₹ Lakhs, unless otherwise stated)

	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>31 Other expenses</b>		
Stores and spare parts etc. consumed	385.05	256.89
Repairs and maintenance :		
Plant and machinery	1,353.14	1,178.73
Buildings	303.58	244.15
Others	219.00	226.58
Power and fuel	4,641.84	4,193.33
Rent (including lease payments)	164.31	99.05
Rates and taxes (including water charges)	740.58	438.86
Insurance	333.96	264.25
Clearing, forwarding and transport	3,436.03	1,852.50
Travelling and conveyance	134.69	110.25
Commission	89.44	30.86
Royalty	106.20	50.13
Legal and consultancy	328.14	302.12
Information technology services	641.48	815.59
Payment to statutory auditors :		
As auditors	21.19	18.50
For reimbursement of expenses	-	0.29
Loss on sale of property, plant and equipment	-	262.02
Allowances for credit losses	27.88	-
Foreign exchange loss (net)	-	163.82
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 38)	135.55	29.87
Service charges	695.65	797.20
Miscellaneous expenses	4,141.76	3,757.12
	<b>17,899.47</b>	<b>15,092.11</b>
<b>32 Reconciliation of income tax expenses with accounting profit</b>		
Profit before tax from continuing operations	4,949.53	31,287.40
Profit before tax from discontinued operations	-	170.81
	<b>4,949.53</b>	<b>31,458.21</b>
Income tax using the Company's domestic tax rate @ 25.17% (PY 25.17%)	1,245.80	7,918.03
Effect of expenses that are deductible in determining taxable profit	(792.03)	(837.76)
Effect of expenses that are not deductible in determining taxable profit	825.18	2,265.48
Effect of Income tax on different rates	-	(563.05)
Effect of tax adjustments of prior years (net) *	(661.41)	699.07
	<b>617.54</b>	<b>9,481.77</b>
Income tax expense recognised in profit or loss of continuing operations	1,278.95	8,721.66
Income tax expense recognised in profit or loss of discontinued operations	-	61.04
Effect of tax adjustments of prior years (net) *	(661.41)	699.07
	<b>617.54</b>	<b>9,481.77</b>

\*Write back of tax expenses of ₹661.41 Lakhs relates to the provision no longer required in respect of the settlement of tax litigations of earlier years.  
Previous year includes income tax receivables (net) of ₹220.40 lakhs written off basis the detailed evaluation performed by the Company for some of the long outstanding past years and balance amount of ₹478.67 lakh pertains to amount of tax actualised for financial year ended March 31, 2020



**Notes to the financial statements for the year ended March 31, 2022****33 Financial instruments and risk review for continuing and discontinued operations****Capital management**

The Company's objectives when managing capital are to :

1. 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
2. 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 31-03-2022. The Company is not subject to any externally imposed capital requirements.

**Categories of financial instruments**

Particulars	₹ Lakhs	
	31-03-2022	31-03-2021
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Cash and bank balances	1,204.51	3,224.29
Trade receivables	16,832.28	16,978.38
Loans	29.88	402.99
Other financial assets	486.51	438.13
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Mandatorily measured - Investments in mutual funds	930.13	964.69
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade payables	16,982.72	17,847.08
Other financial liabilities	1,962.06	2,172.03

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).

**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.

**Notes to the financial statements for the year ended March 31, 2022**

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. 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	₹ Lakhs	
	31-03-2022	31-03-2021
<b>Amount receivable</b>		
USD (Amount in foreign currency)	7,735,108.64	7,398,785.48
₹ in Lakhs	5,862.80	5,413.91
EURO (Amount in foreign currency)	243,320.30	171,023.29
₹ in Lakhs	207.04	147.51
<b>Amount payable</b>		
USD (Amount in foreign currency)	3,385,942.63	1,846,343.12
₹ in Lakhs	2,557.84	1,345.29
EURO (Amount in foreign currency)	364,486.21	1,659,802.26
₹ in Lakhs	306.48	1,424.43
CHF (Amount in foreign currency)	46,962.58	144,305.67
₹ in Lakhs	38.20	111.59
SGD (Amount in foreign currency)	-	44,162.81
₹ in Lakhs	-	24.04

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			
	31-03-2022		31-03-2021	
	1% strengthening	1% weakening	1% strengthening	1% weakening
USD	(33.05)	33.05	(40.69)	40.69
EURO	0.99	(0.99)	12.77	(12.77)
CHF	0.38	(0.38)	1.12	(1.12)
SGD	-	-	0.24	(0.24)

**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.

**Notes to the financial statements for the year ended March 31, 2022**

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.

**Movement in the credit loss allowance**

Particulars	₹ Lakhs	
	31-03-2022	31-03-2021
Balance at the beginning of the year	152.49	345.21
Allowance for expected credit loss on trade receivable	(22.36)	(192.72)
Balance at the end of the year	130.13	152.49

**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 31-03-2022</b>			
Trade payables	16,982.72	-	-
Lease liabilities	20.53	-	-
Other financial liabilities	1,941.53	-	-
<b>As at 31-03-2021</b>			
Trade payables	17,847.08	-	-
Lease liabilities	32.79	20.53	-
Other financial liabilities	2,118.71	-	-

**34 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).

**Notes to the financial statements for the year ended March 31, 2022**

₹ in Lakhs

Financial assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31-03-2022	31-03-2021		
Financial assets at fair value through profit and loss	930.13	964.69	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.

**35 Contingent liabilities and commitments (to the extent not provided for)****(a) Contingent liabilities :**

	31-03-2022	31-03-2021
	₹ Lakhs	₹ Lakhs
(i) in respect of income tax matters	4,381.13	3,798.58
(ii) in respect of sales tax / VAT matters	481.02	472.26
(iii) in respect of excise / service tax matters	542.60	357.00
(iv) Other matters in dispute	234.82	234.82

The Company has various ongoing Income tax and Indirect tax matters under litigation. The assessment of likely outcome of tax matters and related outflow of resources involves significant judgement on positions undertaken by the management which are based on the application and interpretation of law.

**(b) Commitments :**

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	377.58	437.55
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**Notes to the financial statements for the year ended March 31, 2022****36 Earnings per share from continuing and discontinued operations :**

	31-03-2022	31-03-2021
(a) Basic and diluted earnings per share ( Amount in Rupees)	<b>18.77</b>	95.22
Continuing operations	<b>18.77</b>	94.74
Discontinued operations	-	0.48
(b) Profit attributable to the equity holder of the company (in Lakhs)	<b>4,331.45</b>	21,976.44
Continuing operations	<b>4,331.45</b>	21,866.67
Discontinued operations	-	109.77
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.**

Particular	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>1.93</b>	258.68
(b) Principal amount not due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>244.33</b>	525.73
(c) Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>0.15</b>	0.76
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	<b>3,580.62</b>	2,605.47
(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>14.72</b>	5.17
(h) Further interest remaining due and payable for earlier years	<b>73.34</b>	67.41

**Notes to the financial statements for the year ended March 31, 2022**

(Amount in ₹ Lakhs, unless otherwise stated)

**38 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

A. Particulars	31 March 2022	31 March 2021
Gross Amount required to be spent as per Section 135 of the Act	93.61	69.16
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	93.61	69.16
B Amount approved by the Board to be spent during the year	95.55	69.16
C Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	95.55	29.87
D Details related to amount spent/ unspent		
Particulars	31 March 2022	31 March 2021
Spent on other activities	64.81	22.76
Contribution to Covid Relief Programme	30.74	7.11
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	-
<b>TOTAL</b>	<b>95.55</b>	<b>29.87</b>

**E Details of CSR expenditure in respect of other than ongoing projects**

Nature of Activity	Balance unspent as at 1 April 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2022
Balance pending submitted to Chief Ministers fund	39.29	Yes	39.29	40.00	-

The Company does not have any amount which is unspent on March 2021.

**F Details of excess CSR expenditure**

Nature of Activity	Balance excess as at 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2022
Other Activities	-	93.61	95.55	1.94

**Notes to the financial statements for the year ended March 31, 2022**

(Amount in ₹ Lakhs, unless otherwise stated)

**G Disclosures on Shortfall**

Particulars	March 31, 2022	March 31, 2021
Amount Required to be spent by the Company during the year	93.61	69.16
Actual Amount Spent by the Company during the year	93.61	29.87
Actual Amount deposited in Specified Fund of Schedule VII (shortfall of last year)	40.00	-
Shortfall at the end of the year	-	39.29
Total of previous years shortfall	39.29	-
Reason for shortfall	Not Applicable	In view of the Covid-19 pandemic and consequent lockdown, CSR activities have been delayed.

**Notes to the financial statements for the year ended March 31, 2022****39 Employee benefits for continuing and discontinued operations :****(1) Defined benefits plans - As per actuarial valuation**

(a) Gratuity	31-03-2022 ₹ Lakhs Funded	31-03-2021 ₹ Lakhs Funded
(i) Expenses recognised in the statement of profit and loss for the year		
1 Current service cost	146.83	189.22
2 Interest cost	13.47	48.63
3 Expense recognised in statement of profit and loss	160.30	237.85
(ii) Expenses recognised in other comprehensive income		
1 Return on plan assets	(10.61)	(5.93)
2 Loss / (Gain) from change in financial assumptions	(80.36)	26.78
3 Experience (Gain)/Loss	(52.27)	(26.04)
4 (Income) / Expense recognised in Other comprehensive income	(143.24)	(5.19)
(iii) Actual return on plan assets for the year		
1 Expected return on plan assets	151.99	146.24
2 Actuarial gain on plan assets	10.61	5.93
3 Actual return on plan assets	162.60	152.17
(iv) Net asset/(liability) recognised in the balance sheet as at the year end		
1 Present value of the defined benefit obligation	2,644.78	2,641.43
2 Fair value of plan assets	2,737.85	2,318.30
3 Net (liability)/asset recognised in the balance sheet	93.07	(323.13)
(v) Change in defined benefit obligation during the year		
1 Present value of obligation at the beginning of the year	2,641.43	3,169.52
2 Current service cost	146.83	189.22
3 Interest cost	165.46	194.87
4 Benefits paid	(176.31)	(220.11)
5 Actuarial (Gain)/Loss on obligation	(132.63)	0.74
6 Transfer (out)	-	(692.81)
7 Present value of obligation as at the end of the year	2,644.78	2,641.43



## Notes to the financial statements for the year ended March 31, 2022

	31-03-2022 ₹ Lakhs Funded	31-03-2021 ₹ Lakhs Funded
(vi) Changes in fair value of plan asset during the year		
1 Fair value of plan assets as at the beginning of the year	2,318.30	2,180.33
2 Expected return on plan assets	151.99	146.24
3 Contributions made	433.26	898.72
4 Transfer (out) on account of business acquisition / sale and employees transfer "	-	(692.81)
5 Benefits paid	(176.31)	(220.11)
6 Actuarial gain on plan assets	10.61	5.93
7 Fair value of plan assets as at the end of the year	2,737.85	2,318.30
(vii) Major categories of plan assets as a percentage of total plan assets		
1 Government debt instruments	45%	56%
2 Other debt instruments	35%	29%
3 Insurer managed funds	12%	14%
4 Others	8%	1%
(viii) Actuarial assumptions		
1 Discount rate	7.25%	6.80%
2 Expected rate of return on plan assets	7.25%	6.80%
3 Salary escalation	6.0%-9.0%	6.0%-9.0%

(ix) The company expects to contribute ₹ 250.00 Lakhs (Previous year : ₹ 250.00 Lakhs) to the funded gratuity plans in the next year.

## (b) Sensitivity analysis

	31-03-2022	31-03-2021
Impact of increase in 25 bps on DBO		
1 Discount Rate Gratuity	-1.61%	-1.68%
2 Salary Escalation Gratuity	1.65%	1.71%
Impact of decrease in 25 bps on DBO		
1 Discount Rate Gratuity	1.67%	1.73%
2 Salary Escalation Gratuity	-1.60%	-1.66%

## Notes to the financial statements for the year ended March 31, 2022

## (c) The weighted average duration of the defined benefit obligation is 6.71 years for gratuity.

The expected maturity analysis for Gratuity is as follows:

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
Expected benefits for year 1	535.28	349.68
Expected benefits for year 2	211.02	401.05
Expected benefits for year 3	312.62	204.05
Expected benefits for year 4	327.51	304.14
Expected benefits for year 5	247.14	313.76
Expected benefits for year 6	179.78	238.92
Expected benefits for year 7	251.68	170.57
Expected benefits for year 8	165.17	239.33
Expected benefits for year 9	125.46	154.39
Expected benefits for year 10 and above	2,454.46	2298.77

(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.

## (2) Other long term benefits

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
Compensated absences	686.60	711.12

## (3) Provident fund

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
Defined benefit obligation	3,889.05	3,960.40
Fund assets	3,962.94	3,767.30
Net (asset) / liability	(73.89)	193.10
Actuarial assumptions		
1 Discount rate	7.25%	6.80%
2 Average historic yield on the portfolio	8.18%	7.09%
3 Discount rate for the remaining term to maturity of the portfolio	6.65%	6.20%
4 Expected investment return	8.78%	7.69%
5 Guaranteed rate of return	8.10%	8.50%

As per the actuarial valuation report, there is no liability as at the balance sheet date towards the Company's obligation to be provided 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.

**Notes to the financial statements for the year ended March 31, 2022****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.

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

Number of shares	31-03-2022		31-03-2021	
	GSM-LTIP	PSU	GSM-LTIP	PSU
Outstanding at the beginning of the year	23,141	2,889	13,064	17,320
Granted during the year	11,661	-	12,251	-
Forfeited during the year	(14,977)	-	-	(3,097)
Exercised and vested during the year	(19,825)	(2,889)	(2,174)	(11,334)
Outstanding at the end of the year	-	-	23,141	2,889
Weighted average fair value of the shares granted during the year ended (in CHF per share)	13.64	-	12.87	-
Weighted average remaining contractual life	-	-	1.87 Years	0.47 Years

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

With effect from January 3, 2022, Clariant AG, the ultimate holding company divested its pigment business to SK Capital. In consequence of this, vested interest in the shares of the ultimate company by the employee of the company have been forfeited and necessary adjustments carried out in the financial statements.

**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 (up to 02-01-2022)
  - Luxembourg Investment Company 426 S.a.r.l., Europe (wef 03-01-2022)

**(ii) Principal Shareholders (subsidiaries of the Ultimate Holding Company) :**

- Clariant Plastic & Coating AG (Esrtwhile known as Clariant Participations AG) upto 05.07.2020
- Colorants International AG (wef 06.07.2020)
- EBITO Chemiebeteteiligungen AG

**Notes to the financial statements for the year ended March 31, 2022****(b) Other related parties in the Clariant group with whom the Company has transactions:****Fellow subsidiary companies :**

Colorants Solutions Singapore Pte. Ltd.	Clariant Plastic & Coating AG (Erstwhile known as Clariant Participations AG) (upto 05.07.2020)
Clariant India Limited *	Colorants International AG (wef 06.07.2020)
Clariant Services (Poland) Sp. z.o.o.	EBITO Chemiebeteteiligungen AG
Clariant International AG	Performance Masterbatches Singapore Pte. Ltd.
Clariant (Singapore) Pte. Ltd.	ACP Solutions Southern
Clariant IGL Speciality Chemical Private Limited*	Colorants International AG (Fellow Subsidiary upto 05.07.2020 only)
Colorants Solutions Deutschland Gmb	Clariant Plastics & Coatings Southern Africa (Pty) Ltd
Heubach Colour Private Limited (wef 03-01-2022)	Clariant Plastics & Coatings USA In
Clariant AG	Clariant Masterbatches(Shanghai)Ltd
PT. Colorants Solutions (wef 03-01-2022)	Clariant Masterbatches (Thailand) Ltd.
Clariant Plastics & Coatings (Mexico)	Süd-Chemie Australia Pty Ltd
Colorants Solutions Brasil	Clariant Chemicals (Taiwan) Co., Ltd.

\* Related party due to common directorship with effect from Jan 3, 2022.

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

Adnan Ahmad (up to 31-12-2021)

Bharath Sessa (wef 23-04-2022)

Abhijit Naik (wef 23-04-2022)

**Non-Executive Directors**

Kewal Handa

Sunirmal Talukdar

Indu Shahani

Alfred Muench (upto 23-04-2022)

Thomas Wenger (upto 23-04-2022)

Sanjay Ghadge (upto 23-04-2022)

Ravi Kapoor (wef 23-04-2022)

The Board, at their meeting held on April 22, 2022, based on recommendation of the Nomination and Remuneration committee and subject to approval of shareholders through Postal Ballot, appointed Mr. Bharath R. Sessa as the Managing Director; Mr. Ravi Kapoor as a Non-Executive Director, acting as the Chairman of the company; and Mr. Abhijit Naik as the whole time Director of the company, effective from April 23, 2022. Moreover, consequent to acquisition of the company (refer note 49) by SK Capital and Heubach Group, Mr. Alfred Muench, Mr. Thomas Wenger and Mr. Sanjay Ghadge, Non-Executive Directors of the company, being Clariant's representative, have resigned from Directorship of the company effective from April 23, 2022.



## Notes to the financial statements for the year ended March 31, 2022

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

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
<b>(i) Principal Shareholders :</b>		
<b>Transactions during the year :</b>		
<b>Clariant Plastic &amp; Coating AG (Erstwhile known as Clariant Participations AG) upto 05.07.2020</b>		
Purchase of goods	-	85.82
<b>Colorants International AG (w.e.f. 06.07.2020)</b>		
Purchase of goods	5,742.63	3,839.75
Indenting commission received	280.88	209.47
Royalty expenses	106.20	34.27
Expenses recovered	0.40	42.70
Service Received	334.14	-
Dividend paid	1,149.39	15,401.87
<b>EBITO Chemiebetreibungen AG</b>		
Dividend paid	616.41	8259.95
Expenses recovered	0.01	-
<b>(ii) Fellow subsidiaries :</b>		
<b>Transactions during the year :</b>		
<b>Sales of goods</b>		
Clariant (Singapore) Pte. Ltd.	-	34.16
Colorants Solutions Singapore Pte. Ltd.	28,887.32	23,614.83
Clariant IGL Speciality Chemical Pvt Ltd.*	2,050.59	-
Clariant India Limited*	1,981.93	3,939.33
Others	-	10.14
<b>Purchase of goods</b>		
Clariant (Singapore) Pte. Ltd.	-	0.12
Colorants International AG (Fellow Subsidiaries upto 05.07.2020)	-	859.10
Colorants Solutions Singapore Pte. Ltd.	519.28	747.89
Clariant India Limited*	8.81	72.85
Clariant IGL Speciality Chemical Pvt Ltd.*	101.45	-
Heubach Color Pvt Ltd (from 03-01-2022)	34.10	-
Others	18.01	33.73
<b>Purchase of property, plant and equipment</b>		
Clariant India Limited*	-	13.31
Süd-Chemie Australia Pty Ltd	-	12.12
<b>Sale of property, plant and equipment</b>		
Clariant India Limited*	2,355.70	9.99
<b>Rental income</b>		
Clariant India Limited*	2.28	556.09

Transactions entered into with related parties during the year and balances as at the year end: (contd.)

## Notes to the financial statements for the year ended March 31, 2022

## Fellow subsidiaries : (contd.)

## Services rendered

Clariant India Limited\*

31-03-2022  
₹ Lakhs31-03-2021  
₹ Lakhs

198.65

1,626.55

Clariant IGL Speciality Chemical Pvt Ltd.\*

535.87

-

## Indenting commission received

Colorants International AG (Fellow Subsidiaries upto 05.07.2020)

-

66.94

Others

-

1.95

## Royalty Paid

Colorants International AG (Fellow Subsidiaries upto 05.07.2020)

-

15.86

## Rent Expenses

Clariant India Limited\*

158.05

-

## Share Based Payment

Clariant AG

-

159.32

## Expenses recovered

Clariant India Limited\*

0.49

48.66

Clariant International AG

4.05

-

## Services received

Clariant India Limited\*

557.51

258.09

Clariant International AG

392.92

584.09

Clariant Services (Poland) Sp. z.o.o.

445.51

800.82

## (iii) Key management personnel :

## Executive Directors

Short-term employee benefits

390.10

306.58

Post-employment benefits

17.55

39.17

Employee share-based payment

196.27

40.77

## Total Remuneration

603.92

386.52

## Non-Executive Directors

Sitting fees

37.80

30.40

Commission

33.00

24.00

## Total Remuneration

70.80

54.40

**Notes to the financial statements for the year ended March 31, 2022****(iv) Balances outstanding as at the year end :**

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
<b>Principal Shareholders :</b>		
Trade payables	2,148.96	1,476.70
Trade receivables	213.95	148.67
<b>Fellow Subsidiaries :</b>		
Trade payables	339.05	478.26
Trade receivables	7,256.01	6,608.59
<b>Key Management Personnel :</b>		
Payable balance	124.80	137.06

\* Related party due to common directorship with effect from Jan 03, 2022

**42 Discontinued operation and Assets held for sale****(a) Description**

Pursuant to the Agreement for Sale of Assets effective from February 28, 2021, Property, Plant and Equipment including leasehold improvements, furniture and fixtures and equipments of the Company situated at Reliable Tech Park, Airoli Office have been transferred to Clariant India Limited, a related party of the Company. The sale was subsequently concluded in May 2021, as a result, the Company has classified the carrying amount of ₹1,782.27 Lakh of these assets as 'Assets classified as held for sale'.

The Board of Directors at their meeting held on December 19, 2019 had approved the sale of Business Unit - Masterbatches to Polyone Polymers India Private Limited for a consideration of ₹42,600 lakhs subject to working capital adjustments and presented it as Discontinued operations until June 30, 2020 in accordance with Ind AS 105: Non-Current Assets held for Sale and Discontinued Operations. The sale transaction was consummated on July 01, 2020 on receipt of the consideration of ₹42,118.63 Lakhs which was further adjusted for working capital adjustments of ₹818.66 lakhs and accordingly the final sale consideration of ₹ 41,299.97 lakhs was arrived. The net assets (₹15,593.48 lakhs) of Masterbatches - Business unit is derecognised and a resultant gain of ₹ 25,479.88 lakhs (Net of incidental expenses of ₹226.61 lakhs) was recorded during the year ended March 31, 2021.

**Notes to the financial statements for the year ended March 31, 2022****(b) Financial performance and cash flow information**

The financial performance and cash flow information presented are for year ended March 31, 2022 and corresponding year ended March 31, 2021

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
Total Income	-	4,256.95
Total Expenses	-	(4,086.14)
Profit before tax	-	170.81
Tax expense	-	(61.04)
<b>Profit from discontinued operations</b>	-	109.77
<b>Other comprehensive income from discontinued operations</b>		
Remeasurement of the defined benefit plans	-	(71.68)
Tax expense	-	18.04
<b>Other comprehensive income from discontinued operations (net of tax)</b>	-	(53.64)
Net cash inflow from operating activities	-	(973.00)
Net cash inflow / (outflow) from investing activities	-	(103.00)
Net cash inflow / (outflow) from financing activities	-	-
<b>Net cash generated from discontinued operations</b>	-	(1,076.00)

**(c) Assets and liabilities of disposal group classified as held for sale**

The following assets and liabilities were reclassified as held for sale in relation to the transfer of assets in group company as at March 31, 2022.

	31-03-2022 ₹ Lakhs	31-03-2021 ₹ Lakhs
<b>Assets classified as held for sale</b>		
Property, Plant & Equipment	-	1,782.27
Right-of-use assets	-	-
Trade receivables	-	-
Inventories	-	-
Other assets	-	-
Total assets of disposal group held for sale	-	1,782.27

**(d) Details of the sale of Business Unit - Masterbatch**

The carrying amounts of assets and liabilities as at the date of sale June 30, 2020 were:

	₹ Lakhs
Property, Plant & Equipment	7,890.26
Goodwill	3,129.54
Trade receivables	3,063.83
Inventories	3,443.24
Other assets	952.44
<b>Total assets</b>	18,479.31
<b>Trade Payables</b>	1,605.60
Employee benefit obligations	896.66
Other liabilities	817.74
<b>Total liabilities</b>	3,320.00
<b>Net assets</b>	15,159.31



**Notes to the financial statements for the year ended March 31, 2022****43 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) 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	31-03-2022 ₹ Lakhs			31-03-2021 ₹ Lakhs		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Revenue</b>						
External sales	78,487.00	5,464.00	83,951.00	67,626.28	5,450.72	73,077.00
<b>Results</b>						
Segment results	4,681.00	260.00	4,941.00	5,350.29	613.73	5,964.02
Unallocated corporate (expenses)/income (net)						-
<b>Operating profit</b>			4,941.00			5,964.02
Interest Income			56.00			103.50
Finance costs			(47.00)			(260.00)
<b>Profit before exceptional items and taxation</b>			4,950.00			5,807.52
Exceptional items (Refer note 42)			-			25,479.88
<b>Profit before tax from continuing operations</b>			4,950.00			31,287.40
<b>Tax expense</b>						
Current tax			1,163.47			8,585.01
Deferred tax			115.48			136.65
Tax adjustments of prior years (net)			(661.41)			699.07
			617.54			9,420.73
<b>Profit for the year from continuing operations</b>			4,332.46			21,866.67
<b>Profit before tax from discontinued operations before tax</b>			-			170.81
<b>Tax expense / (income) of discontinued operations</b>			-			61.04
<b>Profit for the year from discontinued operations</b>			-			109.77
<b>Profit for the year from continuing and discontinued operations</b>			4332.46			21,976.44

**Notes to the financial statements for the year ended March 31, 2022**

(c) Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

(d) 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, 2022**

Segments	31-03-2022			31-03-2021		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Primary geographical markets</b>						
<b>Continuing operation</b>						
India	47,031.44	5,464.00	52,495.44	42,098.54	5,450.72	47,549.26
Outside India	30,529.37	-	30,529.37	24,308.43	-	24,308.43
	77,560.81	5,464.00	83,024.81	66,406.97	5,450.72	71,857.69
<b>Discontinued operation</b>						
India	-	-	-	4,084.48	-	4,084.48
Outside India	-	-	-	157.49	-	157.49
	-	-	-	4,241.97	-	4,241.97
<b>Major products/ service lines</b>						
<b>Continuing operation</b>						
Pigments	77,560.81	-	77,560.81	66,406.97	-	66,406.97
Specialty Chemicals	-	5,464.00	5,464.00	-	5,450.72	5,450.72
	77,560.81	5,464.00	83,024.81	66,406.97	5,450.72	71,857.69
<b>Discontinued operation</b>						
Masterbatches	-	-	-	4,241.97	-	4,241.97
	-	-	-	4,241.97	-	4,241.97
<b>Timing of revenue recognition</b>						
<b>Continuing operation</b>						
Goods transferred at a point of time	75,849.36	5,464.00	81,313.36	63,349.45	5,450.72	68,800.17
Services transferred over time	1,711.45	-	1,711.45	3,057.52	-	3,057.52
	77,560.81	5,464.00	83,024.81	66,406.97	5,450.72	71,857.69
<b>Discontinued operation</b>						
Goods transferred at a point of time	-	-	-	4,241.97	-	4,241.97
Services transferred over time	-	-	-	-	-	-
	-	-	-	4,241.97	-	4,241.97

## Notes to the financial statements for the year ended March 31, 2022

Segment Assets and liabilities	31-03-2022 ₹ Lakhs			31-03-2021 ₹ Lakhs		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Continuing operation</b>						
Segment assets	55,708.00	146.00	55,854.00	53,285.70	365.00	53,650.70
Unallocated corporate assets			7,749.00			11,252.92
<b>Total assets</b>			63,603.00			64,903.62
Segment liabilities	19,803.00	99.00	19,902.00	21,548.01	366.00	21,914.01
Unallocated corporate liabilities			2,315.00			2,267.98
<b>Total liabilities</b>			22,217.00			24,181.99
<b>Capital Employed</b>	35,905.00	47.00	41,386.00	31,737.69	(1.00)	40,721.63
<b>Discontinued operation</b>						
Segment assets	-	-	-	-	-	-
Unallocated corporate assets						
<b>Total assets</b>	-	-	-	-	-	-
Segment liabilities	-	-	-	-	-	-
Unallocated corporate liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-
<b>Capital Employed</b>	-	-	-	-	-	-

(e) 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.

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

- (i) India
- (ii) Outside India

Geographical segment information	31-03-2022 ₹ Lakhs			31-03-2021 ₹ Lakhs		
	India	Outside India	Total	India	Outside India	Total
Particulars						
External sales from operations						
Continuing Operation	52,495.44	30,529.37	83,024.81	48,490.60	24,586.40	73,077.00
Discontinued Operation	-	-	-	4,085.93	157.49	4,243.42
Non-current assets	22,899.10	-	22,899.10	22,379.92	-	22,379.92

(g) Revenues of approximately ₹ 28,887.32 Lakhs (31.03.2021 : ₹ 23614.83 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.

## Notes to the financial statements for the year ended March 31, 2022

44 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 45 Capital-Work-in Progress (CWIP)

## (a) For Capital-work-in progress ageing schedule

31 March 2022  
CWIP

	Amount in CWIP for a period of				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress	256.63	443.22	96.73	14.12	810.70

31 March 2021  
CWIP

	Amount in CWIP for a period of				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress	242.24	315.90	175.24	127.29	860.67

## (b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

31 March 2022  
CWIP

Projects in progress	To be completed in			
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years
Project 1 (Completion over due)	810.7	-	-	-

31 March 2021  
CWIP

Projects in progress	To be completed in			
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years
Project 1 (Completion over due)	476.43	384.24	-	-

No projects have been temporarily suspended and exceeded their original budgets for the year ended March 31, 2022 and March 31, 2021



**Notes to the financial statements for the year ended March 31, 2022****46 Other Statutory Information**

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- ii) There are no assets hypothecated against the bank limits sanctioned. The bank limits are unsecured. Hence, the company is not obliged to send quarterly returns or statement of current assets.
- iii) The company has not been declared a wilful defaulter as defined by RBI Circular.
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- v) Since, the Company does not have any subsidiary, the provisions of Section 2(87) of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable;
- vi) The Company has not entered into scheme of arrangement during the financial year 2021-22
- vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- viii) (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ix) (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- x) During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

**47 Relationship with Struck off Companies** under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any	Balance outstanding as at current period	Balance outstanding as at previous period
Arctic India Sales Pvt. Ltd.	Receivables	-	0.01	0.01
Arawali Distributors Pvt. Ltd	Payables	-	(0.02)	-
Planet 3 Studios Architecture Pvt Ltd	Payables	-	-	(8.36)

## Notes to the financial statements for the year ended March 31, 2022

(Amount in ₹ Lakhs, unless otherwise stated)

## 48 Ratios

S No.	Ratio	Formula	Particulars		March 31, 2022		Ratio as on 31-Mar-22	March 31, 2021		Ratio as on 31-Mar-21	Variation	Reason (if variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator		Numerator	Denominator			
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Provisions + Other Current Liability	40,703.11	20,888.69	1.95	42,523.70	22,841.50	1.86	5%	
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	Equity= Equity + Reserve and Surplus	-	41,386.50	-	-	40,721.63	-	0%	
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	6,414.06	36.26	176.89	7,367.72	939.41	7.84	2155%	During the year, lease assets decapitated as a result of disposal of the assets.
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100/ Shareholder's Equity	Net Income= Net Profits after taxes	Shareholder's Equity	4,331.99	41,054.07	0.11	3,510.85	52,931.20	0.07	59%	In FY2021 "Asset held for sale" have been realised consequent to divestment of "masterbatch business" and the consideration was utilised for payment of taxes and dividend.
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	53,497.33	14,219.58	3.76	43,450.33	13,021.65	3.34	13%	
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	83,024.51	16,905.33	4.91	71,857.69	15,884.94	4.52	9%	
(g)	Trade Payables Turnover Ratio	Net Credit Purchases/ Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	57,271.11	17,415.15	3.29	45,684.09	15,692.05	2.91	13%	
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets - Current liabilities	83,951.00	19,748.31	4.25	73,077.00	28,851.45	2.53	68%	In FY2021 "Asset held for sale" have been realised consequent to divestment of "masterbatch business" and the consideration was utilised for payment of taxes and dividend.
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	4,331.99	83,024.51	0.05	3,510.85	71,857.69	0.05	7%	
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	4,996.90	42,714.52	0.12	6,238.00	42,062.12	0.15	-21%	
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	4,331.99	41,386.50	0.10	3,510.85	40,721.63	0.09	21%	

Notice

Directors' Report

Management Discussion And Analysis Report

Report on Corporate Governance

Business Responsibility Report

Independent Auditor's Report

Financial Report



**Notes to the financial statements for the year ended March 31, 2022**

- 49** The Clariant Group, globally, announced on January 3, 2022 that it has completed the sale of its Pigments business to a consortium of Heubach Group ("Heubach") and SK Capital Partners ("SK Capital") (hereinafter referred to as "the acquirers").

Consequent to the said acquisition and pursuant to the share purchase deal between Clariant and acquirers, the management and control of the Company has been indirectly divested with the acquirers. Due to the said indirect acquisition, an Open Offer was floated by Luxembourg Investment Company 428 S.à r.l. ("Acquirer"), together with Luxembourg Investment Company 426 S.à r.l. ("PAC 1"), Clariant AG ("PAC 2"), Heubach Holding GmbH ("PAC 3"), Ravi Kapoor ("PAC 4"), Heubach Verwaltungs GmbH ("PAC 5") and Colorants International AG ("PAC 6" and, along with PAC 1, PAC 2, PAC 3, PAC 4 and PAC 5, the "PACs"), in their capacity as persons acting in concert with the Acquirer in compliance with Regulations 3(1), 4 and 5(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI SAST Regulations") ("Open Offer" or the "Offer").

Pursuant to the Open Offer, Colorants International AG, one of the promoters, has acquired 7,76,761 equity shares, representing 3.36% of the voting share capital of the Company on March 16, 2022. Upon closure of the Open Offer, the promoters are holding 1,25,48,811 Equity Shares, representing 54.37% of the total issued share capital of the Company.

- 50** The figures for the previous year have been regrouped/recasted wherever necessary, to conform to the current year's classification.

In terms of our report attached

For **M S K A & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247

**Mumbai, May 24, 2022**

**For and on behalf of the Board of Directors,**  
Clariant Chemicals (India) Limited

**K. Handa** Director  
Din: 00056826

**Dr. I. Shahani** Director  
DIN: 00112289

**B. Sessa** Managing Director  
DIN: 01983066

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

**Mumbai, May 24, 2022**

In early **January** this year, **SK Capital Partners**, a private investment firm focused on the specialty materials, chemicals, and pharmaceuticals sectors together with the Heubach Group, a leading global producer of pigments, announced the completion of the acquisition of Clariant's Global Colorants Business which included a majority shareholding in **Clariant Chemicals (India) Limited**.

The combined business which operates as the **Heubach Group ('Heubach')** employing approximately **3,000** people, is a leading global provider of comprehensive color solutions, supplying a broad portfolio of organic, inorganic, and anti-corrosive pigments, pigment preparations, dyes, colorants, and specialty materials. Heubach headquartered in Vienna, Austria, is a technological and quality leader and operates its business globally from 19 manufacturing facilities across Europe, the Americas, Asia, and Africa.

**CLARIANT CHEMICALS (INDIA) LIMITED**  
Reliable Tech Park,  
Off Thane-Belapur Road,  
Airoli, Navi Mumbai - 400 708

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