

July 25, 2020

<p>To, The Bombay Stock Exchange Limited Corporate Relationship Department 1st Floor, New Trading Ring Rotunda Building, P. J. Towers Dalal Street, Mumbai - 400 001 Scrip: 506390 E-mail: corp.relations@bseindia.com</p>	<p>To, The National Stock Exchange of India Limited Listing Department, Exchange Plaza 5th floor, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Scrip: CLNINDIA E-mail: cmllist@nse.co.in</p>
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Sub.: Notice of the 63rd AGM to be held on August 20, 2020

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 63rd Annual General Meeting of the members of Clariant Chemicals (India) Limited will be held at 4:00 p.m. on Thursday, August 20, 2020, through Video Conferencing (‘VC’)/Other Audio-Visual Means (‘OAVM’).

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 19, 2020 to Thursday, August 20, 2020 (Both Days Inclusive).

In continuation to our letter dated July 11, 2020 intimating the notice under Regulation 42 of the Listing Regulations for closure of Register of Members and Share Transfer Books of the Company, we wish to inform you that the Final Dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be paid on or after August 24, 2020:

- i. In respect of shares held in demat form, to the Beneficial Owners as per the details furnished by Depositories as at the end of business hours on August 18, 2020;
- ii. In respect of shares held in physical form, to the shareholders whose names appear on the Register of Members as at the end of business hours on August 18, 2020.

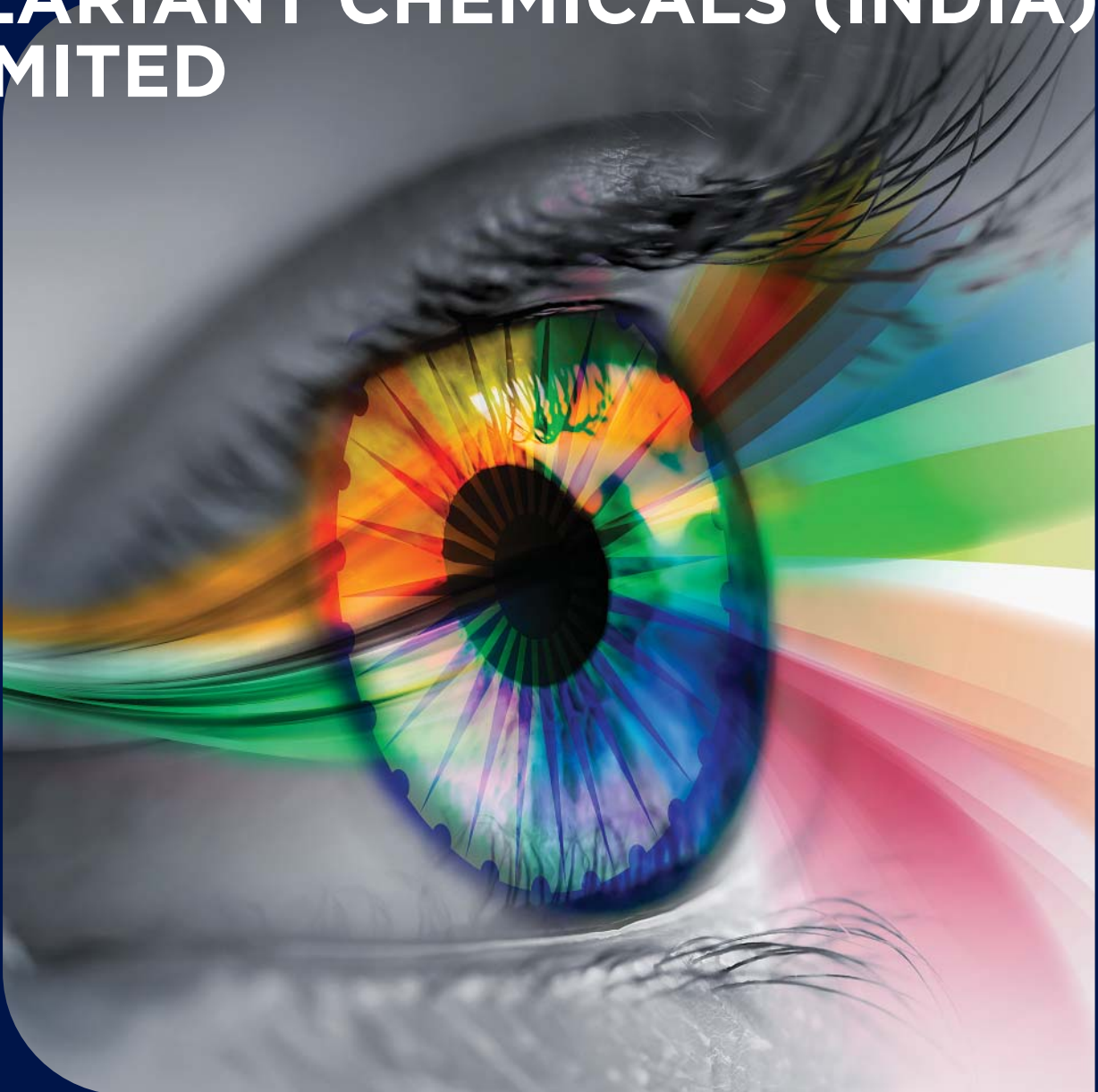
The Annual report of the Company along with the Notice of the 63rd Annual General Meeting is enclosed herewith for your reference and record. Kindly take the same on record and acknowledge the receipt.

Thanking you,
For **Clariant Chemicals (India) Limited**

Amee Joshi
Company Secretary

Encl.: As above

Annual Report 2019-20
**CLARIANT CHEMICALS (INDIA)
LIMITED**





Converging on the future **THROUGH SUCCESSFUL VALUE CREATION**

Clariant has always been in the pursuit of successful value creation for its stakeholders and this quest continues. The cover image is a symbolic representation of this unwavering focus, wherein a ray of opportunity passing through a prism diverges into a spectrum of innovative possibilities and sustainable solutions.

With a sharp focus we see the world through our customers' eyes. This helps us in garnering a better understanding of the challenges they face in today's competitively evolving market scenario. We consider our customer's challenges as opportunities to offer niche products and solutions that help them differentiate amongst the crowd. We see through our customer's eye the exponential diversity and opportunities that we can create and add value to their businesses and in turn our own.

The eye envisions the future where sustainability, innovation, resource optimization and excellence in execution hold the key to the success of our company. The colors of our national flag denote that India remains at the heart of our operations and would drive our growth story ahead into the future.

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Board of DIRECTORS



(standing from l-r)
ALFRED MUENCH
Director

SANJAY GHADGE
Director

THOMAS WENGER
Director

(seated from l-r)
SUNIRMAL TALUKDAR
Director

KEWAL HANDA
Chairman

DR. (MRS.) INDU SHAHANI
Director

ADNAN AHMAD
Vice - Chairman &
Managing Director

CHIEF FINANCIAL OFFICER (INTERIM)
Ashish Agarwal

COMPANY SECRETARY
Amee Joshi

AUDITORS
Price Waterhouse
Chartered Accountants LLP

BANKERS
Standard Chartered Bank
Citibank N.A.

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

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

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

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

Kudikadu, SIPCOT Post
Cuddalore - 607 005, Tamil Nadu

Building on VISION, MISSION AND VALUES

Clariant is defined by a guiding vision, well-defined mission, and a culture that encourages every employee to capitalize on their ability to create value for all stakeholders.

VISION AND MISSION FOCUSED ON VALUE CREATION

Clariant is focused on becoming the globally leading company for specialty chemicals and standing out by achieving above-average value creation for its stakeholders.

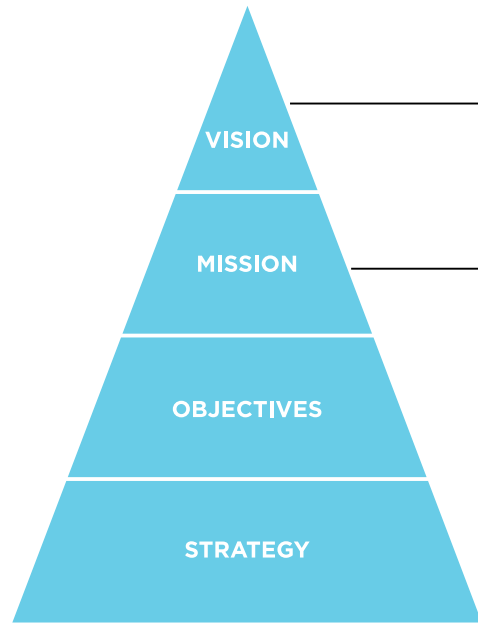
To bring this vision to fruition, the company builds and maintains leading positions in all its businesses and strives for functional excellence in innovation, commercialization, and operations as a defining part of its corporate culture. Clariant's vision is supported by its mission to create value by appreciating the needs of:

CUSTOMERS: by providing competitive and innovative solutions

EMPLOYEES: by adhering to corporate values

SHAREHOLDERS: by achieving above-average returns

THE ENVIRONMENT: by acting sustainably



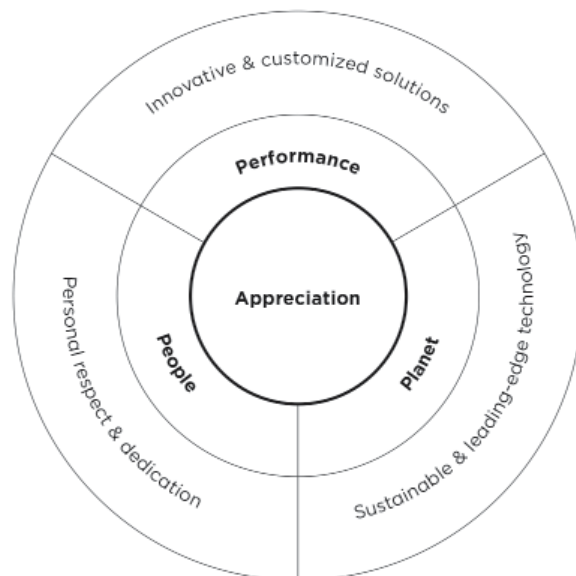
APPRECIATION, CULTURE, AND REPUTATION AS DRIVERS FOR SUCCESS

Clariant believes strongly that its brand essence of appreciation is a key driver for successful value creation. For Clariant, appreciation means putting values at the center of everything the company does in each area where it has an influence: performance, people, and the planet.

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

PEOPLE: Clariant expresses appreciation of its stakeholders and employees with an unflinching commitment to transparency and integrity, and by fostering a culture of dialog and mutual respect.

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



CORPORATE VALUES FOR SUSTAINABLE VALUE CREATION

Cultivating a corporate culture that balances business performance, social commitments, and environmental targets while also supporting stakeholder priorities is essential to generate value and sustainable growth.

Therefore, appreciation is embedded throughout the company's culture and corporate values, defining the expectations of employee behavior and building the company's reputation and brand.

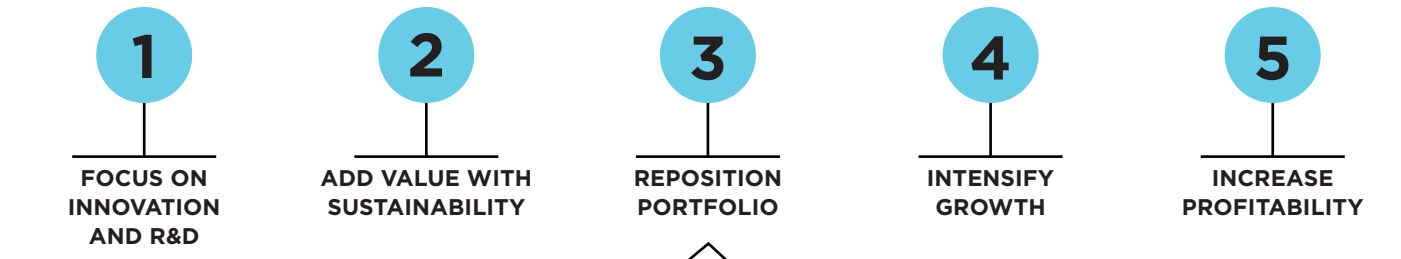
These values include:

1. Drive for Excellence
2. Disciplined Performance Management
3. Deliver to Promise
4. Courageous and Decisive Leadership
5. Lived Appreciation
6. Corporate Responsibility



CLARIANT'S STRATEGY WITH ENHANCED PRODUCT AND SOLUTION OFFERINGS TO INCREASE PERFORMANCE

OUR WAY TO MEET OUR OBJECTIVES



PEOPLE EXCELLENCE

EXCELLENCE IN EXECUTION - CLARIANT IN INDIA PRIORITIES

<p>SAFETY</p> <ul style="list-style-type: none"> » Create a zero injury work environment » Focus on input measures for safety » Embed seven life saving rules 	<p>ETHICS & CODE OF CONDUCT</p> <ul style="list-style-type: none"> » Speak up culture » Demonstrate strong ethical leadership » Strengthen awareness & commitment 	<p>PEOPLE</p> <ul style="list-style-type: none"> » Engage, enable, empower our people » Build an inclusive and diverse culture » Enhance capabilities 	<p>CUSTOMER FOCUS</p> <ul style="list-style-type: none"> » Build a strong supply chain to deliver service excellence » Partnership through innovation » Drive cost initiatives to deliver efficiencies for profitable growth
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Discovering Value in India

FRAGRANCE FOR PACKAGING



Clariant continues to support the unprecedented opportunities to improve the properties, performance and quality of finished plastic products in India. This story highlights our BU Masterbatches unparalleled creativity and expertise to help our customers make their products the very best for varied brands. Creating innovative and appealing designs that distinguish products from

competitors is a constant challenge for companies in the packaging industry.

Clariant has developed CESA®-Scent Masterbatches specifically for this market. Consumers choose a product they could smell and see, over one that they could only see. Scented packaging allows customers to try before they purchase.

FUNCTIONAL MASTERBATCHES FOR RIGID PACKAGING



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

Clariant offers solutions to fulfill multiple needs of the rigid packaging market in a broad variety

of applications, such as polyolefin bottles, thermoformed trays, injection moulded containers, caps and closures. Our Masterbatches help personal care, home care and food packaging industries to stand out on crowded store/supermarket shelves while meeting cost, recyclability and sustainability objectives.

PERFECT LASER MARKING OF CONSUMER DURABLES



Clariant developed CESA®- laser for durable markings that are resistant to chemicals, long-term weathering and challenging environments.

Water purifier manufacturers are constantly looking to innovate and come up with sustainable solutions to gain a competitive edge in the market. One of the noticeable results of increasing research and development activities has been the introduction

of water purifiers equipped with candle filtration, activated carbon, ultra-filtration, ultra-violet, ozone, and reverse osmosis (RO) technologies, to name a few.

Laser technology helps water purifier manufacturers to reduce duplication of spare parts thus giving consumers 100% pure & natural mineral rich water.

LIQUID MASTERBATCHES FOR SOLID SURFACES



Exploring new and innovative dimensions in design, flexibility and performance with brand owners and plastics processors, Clariant developed Liquid Masterbatches for application in solid artificial marble.

An emerging market for solid surface in commercial and industrial settings, where its non-porous characteristics, combined with durability, renewability and formability make it the material

of choice for many designers and architects. Also appealing is the wide range of colors and textures, as well as the ability to custom-color the material for large projects.

Solid surfaces are non-porous low-maintenance material used for surfaces such as countertops. It can mimic the appearance of granite, marble, stone, and other naturally occurring materials, and can be joined nearly invisibly by a trained craftsman.

ANTIBACTERIAL PACKAGING FOR EDIBLE OIL



Clariant partnered with multiple Indian edible oil companies for providing packaging solutions; we developed Masterbatches with antibacterial additives, thus offering a truly safe product. Clariant partnered with multiple large edible oil brands

and developed antibacterial packaging using our Remafin® and CESA® brands of Masterbatches.

Clariant also enabled the different brands to achieve visual differentiation by colormatching of the packaging.

HEALTHCARE POLYMER SOLUTIONS FOR MEDICAL AND PHARMACEUTICAL APPLICATION



Clariant offers trusted colours and performance-oriented healthcare products regulated by a variety of bodies and standards of this segment. This example highlights BU Masterbatches Healthcare Polymer solutions range of products Mevopur® including brand name Remafin®- EP.

A study conducted by Indian Pharmaceutical Alliance (IPA) states that the Indian pharmaceutical industry is aspiring to touch USD

120-130 billion by 2030 from the current USD 38 billion.

The reason for this robust growth in the Medical & Pharma sector is being attributed to committed health insurance, improved healthcare facilities, a growing economy, FDIs and world's largest Pradhan Mantri Jan Arogya Yojana (PM-JAY) from Central Government. Healthcare in India contributes to almost 6% of the nation's GDP.

NON-STAINING SOLUTIONS FOR DETERGENT



Clariant continues to maximize the opportunities in detergent business in India. This example highlights BU Pigments dedicated effort to explore the laundering transition within India by providing solutions tailored for varied brands.

Laundry detergents have commoditized over the years. Laundering with hand instead of a washing machine still remains the most prevalent mode of

wash in India, with the products accounting for a 74% share of laundry-care sales. A leading detergent bar brand partnered with Clariant to replace polymeric dyes by offering a localized product solution Sanolin™ Blue AS NBL liq IN.

This helps the customers to have a cost-efficient product that is locally produced.

COLORANTS FOR TRANSPARENT SOAPS



BU Pigments partnered with an Indian FMCG major brand to launch their premium transparent gel bars in exciting colors.

The soap industry in India is a mature category, which witnesses new product launches

frequently. A major Indian FMCG brand entered this category with the launch of transparent gel bars. Clariant's BU Pigments partnered with this brand and helped revolutionize this product with its Cosmenyl™ range of pigment preparations.

SAFE COLORS FOR SOAP BARS



The Bureau of Indian Standards (BIS) recently issued a regulatory update, aimed at safe and compliant colors in personal care products. Following this, a leading beauty soap manufacturer is now integrated with Clariant's pigment

dispersions from the Flexonyl® range.

Clariant partnered with the third largest soap selling brand in the country.

WHITENING SOLUTION FOR DETERGENTS



BU Pigments developed a special range of Duasyn dyes for a leading detergent brand.

Laundry detergent – an essential item in every household have undergone commoditization over

the years. For this sector, Clariant has developed a unique solution to offer whiter, brighter clothes after the very first wash.

Clariant in India COMMUNITY SERVICE

Our CSR programmes aim to keep the well-being of the communities around us at the core; we focus on activities revolving around Education, Health & Safety, Community Welfare, Environment Protection. These activities are implemented in partnership with local governments, NGOs and other relevant stakeholders.



Raigad and G.M. Vedak Institute of Technology, Tala during the academic year 2019-20. The students were given an overview of the operations and a site tour.

- Organized a blood donation drive, supporting the children suffering from Thalassemia. Close to 370 employees donated blood. Clariant has been organizing this drive at its sites and HQ for four consecutive years.
- Supporting the digital drive, Clariant donated around 128 desktop computers and tables to the underprivileged students, in the local schools across all the sites. The IT team further supported with technical support, building upon the knowledge to use the technology.
- Roha site conducted three industrial site visits for the students of M. B. More Foundation's Arts, Science & Commerce Women College, Dhatav; Government Polytechnic, Pen-

- Highlighting the importance of Science, Chemistry and Environment safety, the Roha site conducted various awareness sessions for the local schools.
- Helping students learn via practicals, the Roha team donated basic laboratory equipment to Tatkare Charitable Trust for Dr. Shree Nanasaheb Dharmadhikari Arts, Commerce and Science college and extended financial support to J.M. Rathi School for laboratory requirements. The team conducted a brief session on Skygazing, explaining the blackholes and galaxies, for the students of D.G. Tatkare Madhyamik Vidyalaya, Bhalgav.



- In another activity, the Roha team conducted an interschool competition on Science Quiz, Elocution and Essay Writing at M.B. Patil English School, Varse for children of the local ZP schools.
- During the floods in 2019, the Roha team supported flood relief in co-ordination with local government authorities – SDO, Tahsildar, RIA for relief work at Kolhapur, Satara, Sangli and nearby areas.
- As part of women empowerment, Clariant provided 25 sewing machines to the local village women, all living below the poverty line, of



Roth Khurd gram panchayat, Kolad gram panchayat and Malsai taluka, Roha.

- The team in Nagda, purchased and distributed school bags and stationery to the children of the nearby ZP schools.
- For the Government Primary School, Nandvasala (nearby village), Nagda site provided a 500 litres water tank, wash basin with internal fittings and installation for the girl's washroom. A concrete platform for lunchtime use was also made for the children of Kishor Nav-Jeevan Shantha. Additionally, a session on road safety was also provided to students at the local ZP School.



- The Cuddalore team provided laboratory chemicals and apparatus to the higher secondary school students of local government schools. Additionally, the team supported in renovation of Sothikuppam School building.
- To help the neighbouring community get clean drinking water, the Cuddalore team provided a total of 316 PVC pipes to the local authorities (each pipe measuring 6 meters; totaling to 1896 meters).
- The Rania team conducted an awareness session on Science and Chemistry for over 400 boys and girls at the local ZP school. To help empower the local women community at Rania anganwadi, the team also organized a three months tailoring training through Vibrant Chance agency. Sewing machines were gifted to the best performers after the training was concluded.



- The Vashere team gave Science models to the local ZP Schools. The team also organized and conducted a Science exhibition in collaboration with Birla college for local school and colleges.

- Kalol colleagues donated lab equipments and water coolers to a few local schools.

- Every year, Airoli employees conduct a stationery collection drive, for REAP Foundation; this time in addition, 20 litres of paint was sponsored by BU Pigments for painting their premises.

- A 90 minute Science & Chemistry session for children of MA Niketan and Vatsalya was organized in collaboration with Science Utsav by Clariant for 70 children including a sponsored lunch.

- The children of NGOs – MA Niketan and Vatsalya enjoyed their annual movie date with Clariant. The team also organized a separate screening for the Prem Daan inmates.



- To help rebuild and restore nature in a small way, our employees supported the Hariyali Foundation with a sapling making activity at their Murar Nursery.

- Many states were badly affected by floods in 2019. Apart from the contribution made by the Company to the relief, the employees generously donated grains, utensils and clothes as relief for affected areas through support of the NGO-Goonj.

- Cancer is one disease that needs frequent monetary support for the marginalized. As a support to this cause, Clariant supported the Indian Cancer Society.



- As part of environment awareness program, beach cleaning is one area which needs serious attention. To help spread this awareness and to support this cause our employees on two occasions volunteered with the NGO's in helping to clean the city beaches during the year.

Clariant in India REACHING OUT TO THE COMMUNITY DURING COVID TIMES

We are in the midst of an unprecedented situation with the COVID-19 pandemic. Clariant in India team is focussed on employee safety, community support and ensuring business continuity. Our teams are committed towards supporting the neighbourhood around our sites, to ensure that they are safe too.

Clariant has in the past months initiated the production of sanitizer solutions from its facilities in India to help curb the spread of COVID-19. Clariant's sites across Roha in Maharashtra; Vadodara in Gujarat and Cuddalore in Tamil Nadu have committed to supplying the necessary products that are required for the healthcare facilities.

Clariant in India contributed to Chief Minister's Relief Funds for COVID-19 of Maharashtra (₹ 10 lakh) and Telangana (₹ 5 lakh). Our employees voluntarily contributed a day's salary and an equal amount was topped up by the management, totalling ₹ 16 lakh towards the PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund. In addition to this, our Roha Employees & the Union, jointly contributed ₹ 1.50 lakhs for the Maharashtra Chief Minister's Relief Fund.



Roha in Maharashtra has been producing sanitizers for local and in-house use. The site team handed over 100 fogging hand pumps for sanitization purposes and nearly 1500 face masks to support the safety of local authorities. The team donated 300 litres of handwash liquid soap to the Tahsildar office and 2000 litres of the same to the Raigad District Collector's office. The local authorities acknowledged and appreciated the quick support by Clariant at Roha.



Cuddalore site in Tamil Nadu produced a total of 180,000 litres of sodium hypochlorite solution for sterilization. This is being used by local hospitals and healthcare centers in 683 panchayats in Cuddalore and around 250 panchayats in Virudunagar district. The site also distributed 5 MT of rice and handed over 890 masks and sanitizers to the local community.



Rania site distributed 111 dry food ration kits to the needy from the nearby villages.

Clariant in India AWARDS



Clariant include:

- » Certificate of Merit in recognition of excellent performance in the field of exports of Pigments by a Large-Scale Unit for 2018-2019
- » Second Award for the outstanding performance in Domestic Market by Large Scale Unit for 2018-2019
- » Second Award in recognition of excellent performance in Safety & Hazards Control by a Large-Scale Unit for 2018-2019



- At the 69th annual presentation ceremony of Dyestuffs Manufacturers' Association of India (DMAI), Clariant Chemicals (India) Limited was recognized and awarded for sustainable performance, in Mumbai. Clariant received 5 awards during the ceremony for the year 2018-2019. The awards conferred to

- » First Award for excellent performance in Energy Conservation by a Large-Scale Unit for 2018-2019
- » Award for excellent performance in Water Conservation by a Large-Scale Unit for 2018-2019

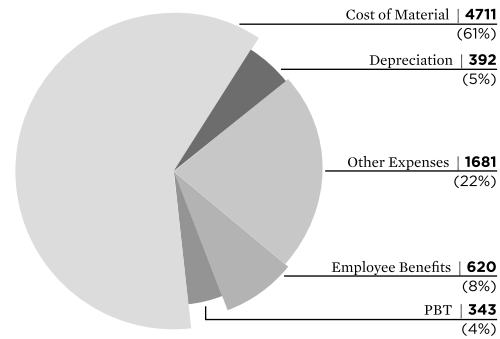


- The Pigments site in Cuddalore was awarded with a 4 Stars rating for commitment to EHS practices at the annual Confederation of Indian Industry (CII) Southern Region (SR) Excellence Awards in Environment, Health & Safety (EHS) for the year 2019. The CII-SR EHS Excellence awards are designed to provide a bench marking tool to compare best practices in Environment, Health and Safety across Southern Region and to assist in continuous process improvements. The aim of this award is to sensitize, facilitate, motivate and recognize corporates who adopt innovative practices in EHS.

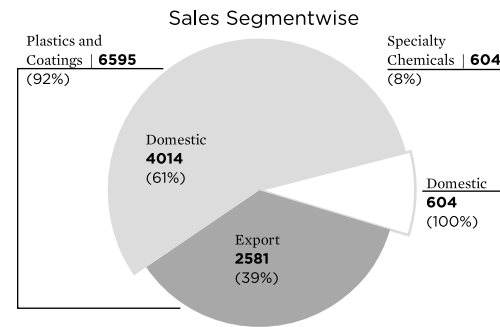


Financial PERFORMANCE

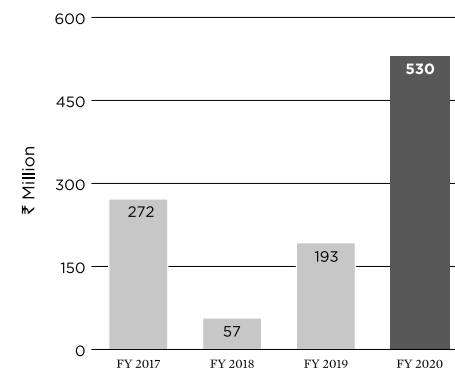
Distribution of Revenue from continuing operations (₹ Million)



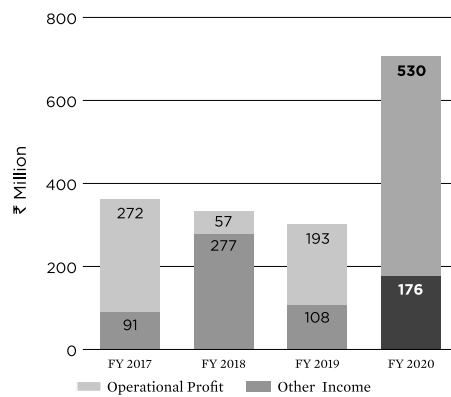
Composition of Sales from continuing operations (₹ Million)



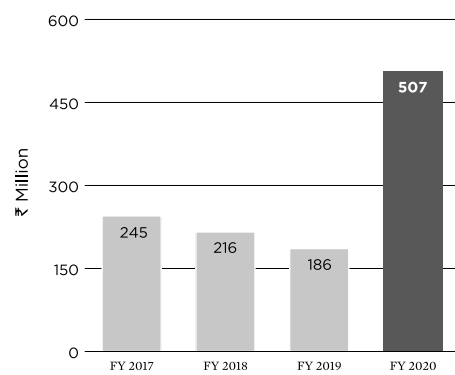
Operational Profit before tax from continuing and discontinued operations



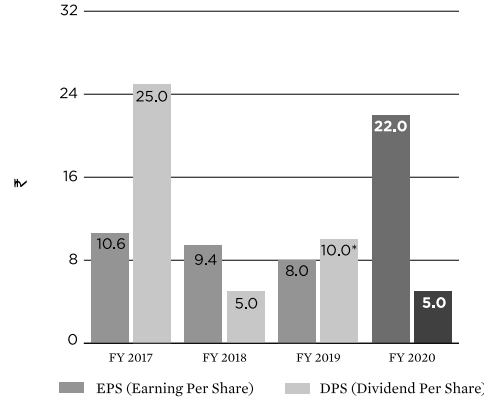
PBT split from continuing and discontinued operations



PAT from continuing and discontinued operations



EPS from continuing and discontinued operations and DPS



* Interim and final Dividend | DPS is based on actual payout

NOTICE

NOTICE is hereby given that the **Sixty Third** Annual General Meeting of the Company will be held at 4:00 p.m. on Thursday, August 20, 2020, 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, 2020, together with the Reports of the Directors and Auditors thereon.
- To declare Final Dividend on Equity Shares for the Financial year 2019-20.
- To appoint a Director in place of Mr. Thomas Wenger (DIN 08350960) who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

'RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and any other applicable provisions and rules made thereunder and subject to Articles of Association, M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), who were appointed by the Board of Directors, at their meeting held on June 17, 2020 in casual vacancy, and who holds office till the conclusion of this Annual General Meeting, be and are hereby appointed as Statutory Auditors of the Company in place of M/s Price Waterhouse Chartered Accountants LLP, to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the 68th Annual General Meeting of the Company.'

SPECIAL BUSINESS:

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

'RESOLVED THAT Mr. Sanjay Ghadge (DIN 08455742), who was appointed by the Board of Directors of the Company w.e.f. August 8, 2019 as an Additional Director, and who holds office as such upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 (hereinafter referred to as Act) read with Article 113 of Articles of Association of

the Company and in respect of whom the Company has received a notice under Section 160 of the Act, proposing his candidature for the office of a Director and being eligible be and is hereby appointed as a Director of the Company liable to retire by rotation.'

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

'RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded to material related party transactions to be entered into and carried out in ordinary course of business and at arm's length price with Colorants Solutions Singapore Pte. Ltd., a related party as per the Indian Accounting Standard 24, for sale of finished goods, from time to time, on terms and conditions as set out in the Explanatory Statement annexed hereto, during the Financial year 2020-21 and subsequent Financial years, for an aggregate amount not exceeding ₹ 500 Crore per annum, which may exceed the threshold limit of 10 percent of annual consolidated turnover of the Company for the 12 months ended March 31, 2021 and of subsequent Financial years.

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

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

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

proprietary information and trademarks belonging to the Licensor, as defined under the said License Agreement, effective from January 1, 2020 till December 31, 2021;

RESOLVED FURTHER THAT approval of members be and is hereby accorded for payment of Royalty at a rate of 5% of Net Sales value of own production for domestic market and export to third parties;

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

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

'RESOLVED THAT pursuant to the provisions of Section 148 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. RA & Co., Cost Accountants, appointed as Cost Auditors for the Financial year 2020-21 to conduct audit of Cost Accounts of the Company be hereby paid the Fees of ₹ 2.50 Lakhs plus service tax and reimbursement of out of pocket expenses at actuals.'

For and on Behalf of the Board

Amees Joshi
Company Secretary
ACS 22502

Date: June 17, 2020

Registered Office:

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

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

Item No. 4

The members of the Company at their 62nd Annual General Meeting, held on August 8, 2019, had approved the appointment of M/s. Price Waterhouse Chartered Accountant LLP as the Statutory Auditors of the Company for a second term of five years starting from conclusion of 62nd Annual General Meeting till the conclusion of 67th Annual General Meeting. M/s. Price Waterhouse Chartered Accountant LLP, vide their letter dated June 17, 2020, intimated the Company that they would resign as the Statutory Auditors of the Company post issuance of their Limited Review Report (LRR) for the Quarter ending June 30, 2020.

They informed that Price Waterhouse Network of Firms in India announced of the decision to not provide non audit related services to their audit clients in India which are governed by National Financial Reporting Authority (NFRA). There are certain ongoing non-audit services that are provided by a Price Waterhouse Network licensee entity in India (not being audit firms) to the Company. Due to this voluntary action by Price Waterhouse India Firms as above, the Company chose to avail the non audit related services.

M/s. Price Waterhouse Chartered Accountant LLP have submitted their latest audit report on the annual financial results of the Company for the year ended March 31, 2020 on June 17, 2020. As per the amended regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, M/s. Price Waterhouse Chartered Accountant LLP would resign as Statutory Auditors of the Company post issuance of their Limited Review Report (LRR) for the Quarter ending June 30, 2020.

The Audit Committee, at their meeting held on June 17, 2020, took on record the intimation letter from M/s. Price Waterhouse Chartered Accountant LLP and also placed on record their sincere appreciation to M/s. Price Waterhouse Chartered Accountant LLP for their commendable service to the Company during their tenure.

The management recommended the appointment of M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company. MSKA & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India (ICAI) having Firm Registration No. 105047W. It has head office at Mumbai and 9 branches in Pune, Bengaluru, Hyderabad, Gurgaon, Kolkata, Goa, Kochi, Chennai and Ahmedabad. It provides Audit and Assurance, Tax and Consultancy Services.

The Company has received consent letter and confirmation of eligibility under Section 139 and 141 of the Companies Act, 2013

from M/s. MSKA & Associates to act as the Statutory Auditor of the Company and confirmation that their appointment, if considered and approved, will be within the limit specified under the Companies Act, 2013, along with the Certificate stating that they have subjected themselves to the Peer Review Board of ICAI, pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Considering the market standing of the firm, clientele served, technical knowledge, eligibility and recommendation of the Audit Committee, the Board of Directors, at their meeting held on June 17, 2020, appointed M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W), as Statutory Auditors of the Company in the casual vacancy to be caused by the aforesaid proposed resignation of M/s. Price Waterhouse Chartered Accountants LLP. As per the provisions of Section 139 of the Companies Act, 2013, M/s. MSKA & Associates, Chartered Accountants, holds office till the conclusion of this Annual General Meeting. The Board of Directors, at their meeting held on Jun 17, 2020, further approved their appointment as Statutory Auditors of the Company for a term of five years starting from conclusion of this Annual General Meeting till the conclusion of 68th Annual General Meeting.

As per the provisions of Section 140 of the Companies Act, 2013, a Special Notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed. Kindly treat this explanatory statement as a Special notice.

M/s. MSKA & Associates, if appointed as Statutory Auditors of the Company, shall be paid Audit fees for the Financial year 2020-21 as below:

(In ₹)	
Nature of Engagement	FY 2020 – 21
Statutory Audit including IFC	10,30,000
Limited Review (3 quarters)	5,55,000
Corporate Governance	23,000
Tax audit	1,12,000
Total	17,20,000

The Board of Directors of the Company recommends the passing of the resolution set forth under Item no. 4 as an Ordinary Resolution for appointment of M/s. MSKA & Associates. None of the Directors, Key Managerial Personnel and/or their relatives are interested and/or concerned in passing of this resolution.

Item No. 5

The Board of Directors, on recommendation of Nomination and Remuneration Committee, had appointed Mr. Sanjay Ghadge (DIN: 08455742) as Additional Director and later as Director

Finance & Chief Financial Officer of the Company w.e.f. August 8, 2019, which was approved by the members of the Company vide Special Resolution dated October 7, 2019 passed through Postal Ballot.

Consequent to his transfer to leadership role within Clariant group, globally, Mr. Sanjay Ghadge tendered his resignation from the post of Chief Financial Officer of the Company w.e.f. January 1, 2020. Mr. Sanjay Ghadge is acting as Non-Executive Director of the Company since January 1, 2020.

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

Considering his experience and expertise, the Board recommends the passing of the resolution set forth under Item no. 5 as an Ordinary Resolution. None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Sanjay Ghadge and his relatives are interested and/or concerned in passing of this resolution.

Item No. 6

Considering a significant contribution of exports in total turnover of the Company and to hedge the currency risk involved in exports, the Company had entered into a supply agreement whereby all its exports are routed through a single customer Clariant (Singapore) Pte. Ltd., which was duly approved by the members of the Company at Annual General Meeting held on August 12, 2016. Consequent to the divestment plan for Business Unit - Pigments globally, Clariant (Singapore) Pte. Ltd. demerged its Business Unit – Pigments to Colorants Solutions Singapore Pte. Ltd, belonging to Clariant Group.

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

SEBI LODR Regulations provides that material related party transaction, i.e. a transaction to be entered into which

individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of an ordinary resolution.

The annual consolidated turnover as per the last audited financial statements for the year ended March 31, 2020 was ₹ 77,478.13 Lakhs. The value of transactions entered with Colorants Solutions Singapore Pte. Ltd. during the period of January 1, 2020 till March 31, 2020 was ₹ 6220.79 Lakhs.

The transactions with Colorants Solutions Singapore Pte. Ltd. will certainly exceed 10% of the consolidated annual turnover and will be material pursuant to SEBI LODR Regulations.

By way of abundant caution and as a protective measure, the Board of Directors, based on the approval of the Audit Committee, recommends the approval for the transactions to be entered into and carried out with Colorants Solutions Singapore Pte. Ltd., from time to time, in the ordinary course of business and at arm's length price, during the Financial year 2020-21 and subsequent Financial years for an amount not exceeding ₹ 500 Crore per annum. The previous agreement entered with Clariant Singapore Pte. Ltd. stands terminated effective January 1, 2020. The resolution is proposed as an enabling resolution for operational efficiency.

The terms and conditions of the transactions to be entered with Colorants Solutions Singapore Pte. Ltd. is provided hereunder:

1.	Name of the Related Party	Colorants Solutions Singapore Pte. Ltd.
2.	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Thomas Wenger, being a common Director
3.	Nature of relationship	Affiliate Company under Ind AS 24
4.	Nature of Transaction	Sale of Finished Goods, from time to time, as per purchase order
5.	Course of Transaction	Done in ordinary course of business and at arm's length price
6.	Value of Transaction	₹ 500 Crore per annum

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

The Board, therefore, recommends the passing of the resolution set out under Item no. 6 as an Ordinary Resolution. None of Directors, Key Managerial Personnel and/or their relatives, except Mr. Thomas Wenger and his relatives (in capacity of being a common Director), are interested and/or concerned in passing of the said resolution.

Item No. 7

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

The members of the Company, at the Annual General Meeting held on August 8, 2019, had approved the License Agreement between the Company and Clariant Plastics & Coatings AG. Previously, all the products manufactured and/or sold by the Company, were on the basis of the Licenses provided by Clariant Plastics & Coatings AG.

Consequent to the divestment plan for Business Unit – Pigments, globally, Clariant Plastics & Coatings AG demerged its Pigments business into a entity named Colorants International AG. Consequently, all the benefits of Intellectual Property Rights of Clariant have been vested with Colorants International AG.

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

The Board of Directors, on recommendation of Audit Committee, approved a separate License Agreement to be entered into with Colorants International AG w.e.f. January 1, 2020 for payment of License Fees against usage of the Proprietary Rights, Proprietary Information and Trademarks at a rate of 5% of Net Sales value of finished goods of own production for domestic market and export to third parties after deducting value added tax as per the Profit & Loss Statement of the Company.

Under LODR Regulations, a transaction involving payments made to a related party with respect to Brand usage or Royalty, if the transaction(s) to be entered into individually, or taken together with previous transactions during a Financial year, exceeds 5% of the annual consolidated turnover of the Company as per its last Audited Financial Statements, shall be considered as material and shall be approved by the Shareholders through a resolution.

By way of abundant caution and as a protective measure, the Board of Directors recommends the approval for the transactions to be entered into and carried out with Colorants International AG.

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

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

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

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

None of Directors, Key Managerial Personnel and/or their relatives, except Mr. Alfred Muench and his relatives (in capacity

of being a common Director) are interested and/or concerned in passing of the said resolution.

Item No. 8

The Board of Directors, on the recommendation of Audit Committee, considered and approved 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 2020-21, at a remuneration of ₹ 2.50 Lakhs per annum exclusive of service tax and out of pocket expenses, to be reimbursed at actuals.

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

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

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

For and on Behalf of the Board

Amee Joshi
Company Secretary
ACS 22502

Date: June 17, 2020

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

NOTES:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 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 statements pursuant to Section 102 of the Companies Act, 2013 for the businesses set out under Item No. 4 to 8 is annexed to the Notice.
- 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 with copies marked to the Company at investor.relations.India@clariant.com and to the Registrar and Transfer Agents at rnt.helpdesk@linkintime.co.in.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 19, 2020 to Thursday, August 20, 2020 (Both Days Inclusive).
- The detail of Directors seeking appointment/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 Final Dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be paid on or after August 24, 2020:
 - In respect of shares held in demat form, to the Beneficial Owners as per the details furnished by Depositories as at the end of business hours on August 18, 2020;
 - In respect of shares held in physical form, to the shareholders whose names appear on the Register of Members as at the end of business hours on August 18, 2020.
- Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H or Lower Withholding Certificate (if obtained from the Tax department), to avail the benefit of non-deduction/lower deduction of tax at source by writing an email to clariantdivtax@linkintime.co.in on or before 11:59 p.m. IST on August 10, 2020. The shareholders are requested to note that in case their PAN is not registered/updated, the tax will be deducted at a higher rate of 20% (plus Surcharge and Cess as applicable).

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment (PE) and Beneficial Ownership Declaration, Tax Residency Certificate (TRC), Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to clariantdivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on August 10, 2020. The formats of No PE Declaration (including beneficial ownership) and Form 10F are available on Link Intime's website at <https://www.linkintime.co.in/client-downloads.html>. TRC needs to be obtained by the shareholder from the Tax

Department of their country of residence. Non-resident shareholders shall also furnish the lower/nil withholding certificate, if obtained from the Tax Department.

- The amount outstanding in the unpaid dividend account in respect of Interim Dividend for Financial year 2013 will be transferred to Investor and Education Protection Fund after September 4, 2020. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Link Intime India Private Limited for assistance in this regard.
- 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 on or before August 15, 2020.
- 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.
- In compliance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report for the Financial year 2019-20 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 2019-20 will also be available on the Company's website www.clariant.com, websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in/>

- 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.
- Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
- Instructions for e-voting and joining the AGM are as follows;

A. VOTING THROUGH ELECTRONIC MEANS:

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 63rd Annual General Meeting of the Company by electronic means through remote e-voting facility provided by Link Intime India Private Limited ('Link Intime'). Members who are holding shares in physical or dematerialized form as on August 13, 2020 shall exercise their vote by electronic means.
- The voting period begins on Monday, August 17, 2020 (09:00 a.m.) to Wednesday, August 19, 2020 (05:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 13, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.
- Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., August 13, 2020 may obtain the login ID and password by sending an email to investor.relations.India@clariant.com or

rnt.helpdesk@linkintime.co.in by mentioning their Folio No./DP ID and Client ID.

4. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
5. The details of the process and manner for remote e-voting are explained herein below:
 - i. Visit the e-voting system of Link Intime India Private Limited (LI IPL). Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 - ii. Click on 'Login' tab, available under 'Shareholders' section.
 - iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on 'SUBMIT'.
 - iv. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
 - v. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on 'Sign Up' tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number provided by the Company.
DOB/DOI	Enter the DOB (Date of Birth)/DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"> • Please enter the DOB/DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any Company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on 'SUBMIT'.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View 'Event No' of the Company, you choose to vote.
- vii. On the voting page, 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'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'YES', else to change your vote, click on 'NO' and accordingly modify your vote.
- x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi. You can also take the printout of the votes cast by you by clicking on 'Print' option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/Mutual Fund/Corporate Body'.

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.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular 'Event'.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ('FAQs') and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us- Tel: 022 - 49186000.

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

Shareholders/Members are entitled to attend and participate in the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process:

1. 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.
2. 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.
3. Shareholders/Members will be provided with InstaMeet facility wherein Shareholders/Member 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: -
- A. **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
 - B. **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).
 - C. **Mobile No.:** Enter your mobile number.
 - D. **Email ID:** Enter your email id, as recorded with your DP/Company.

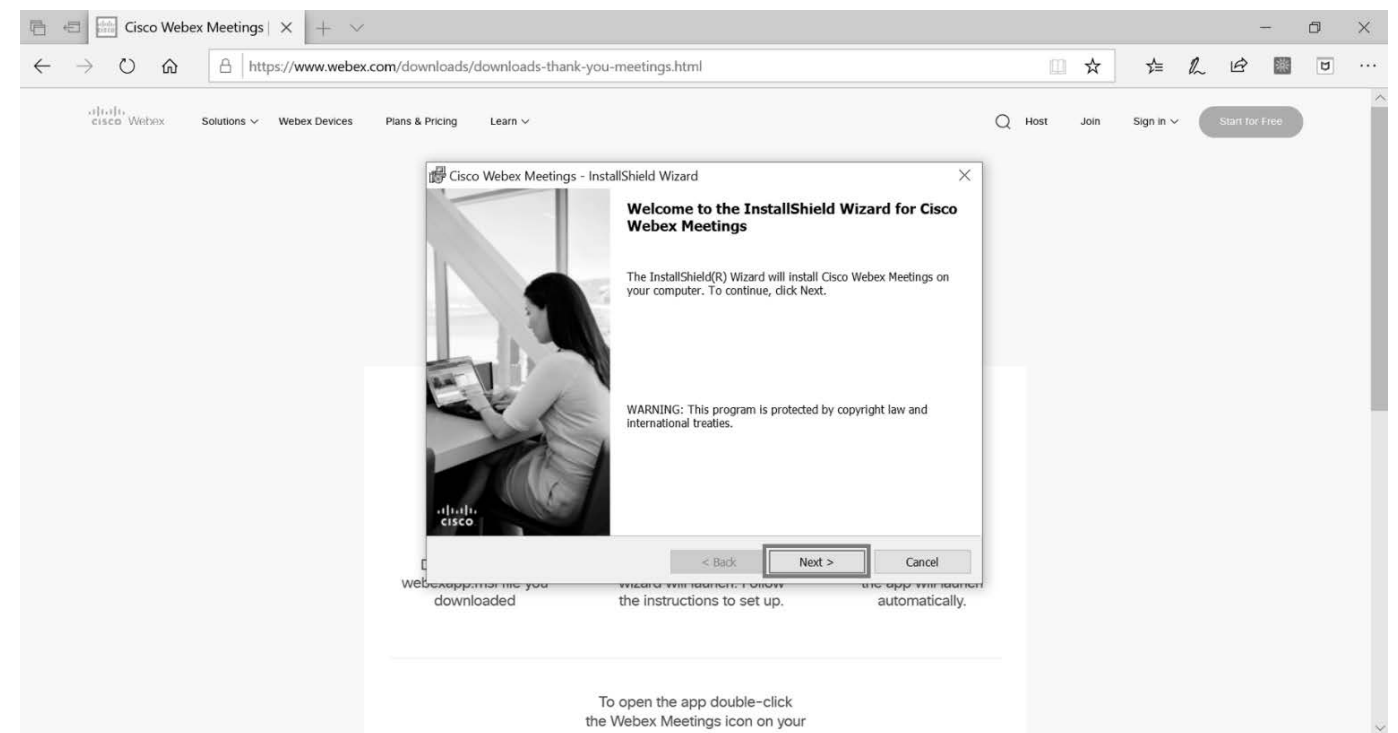
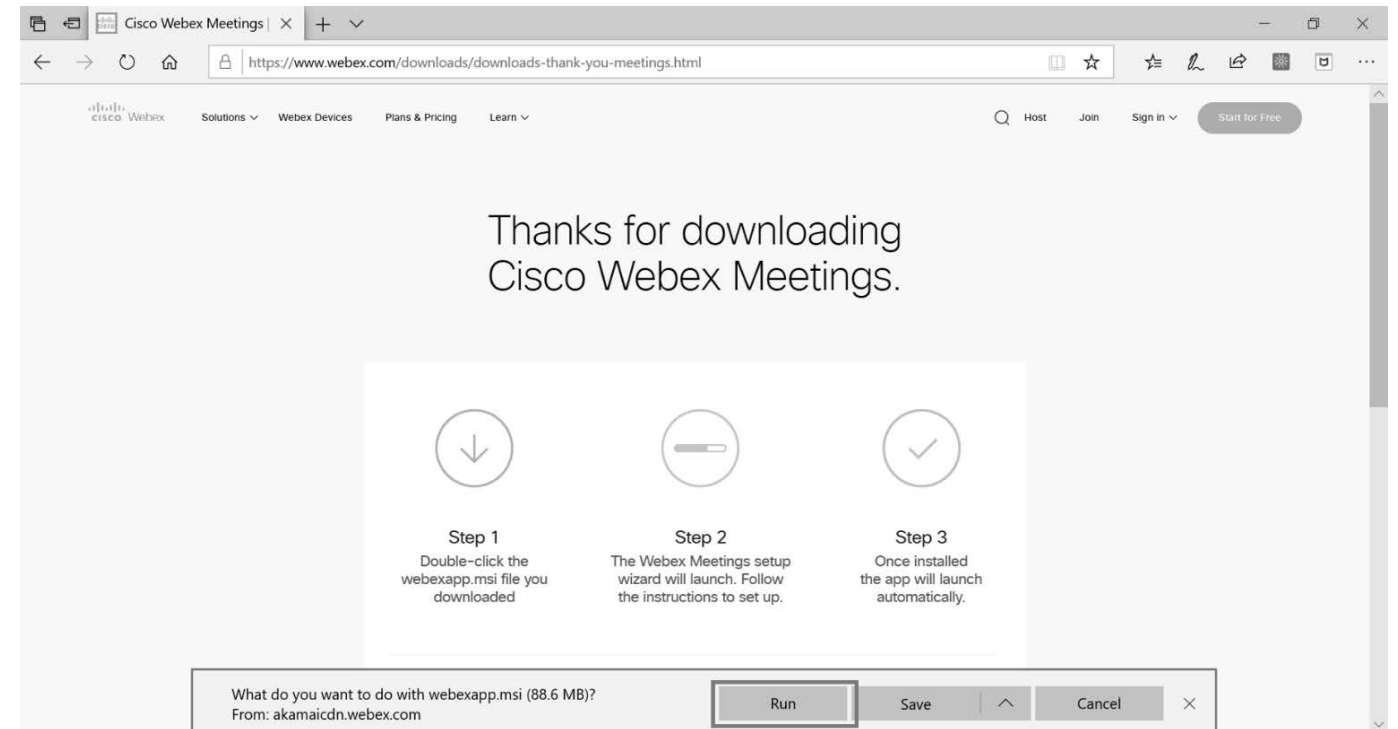
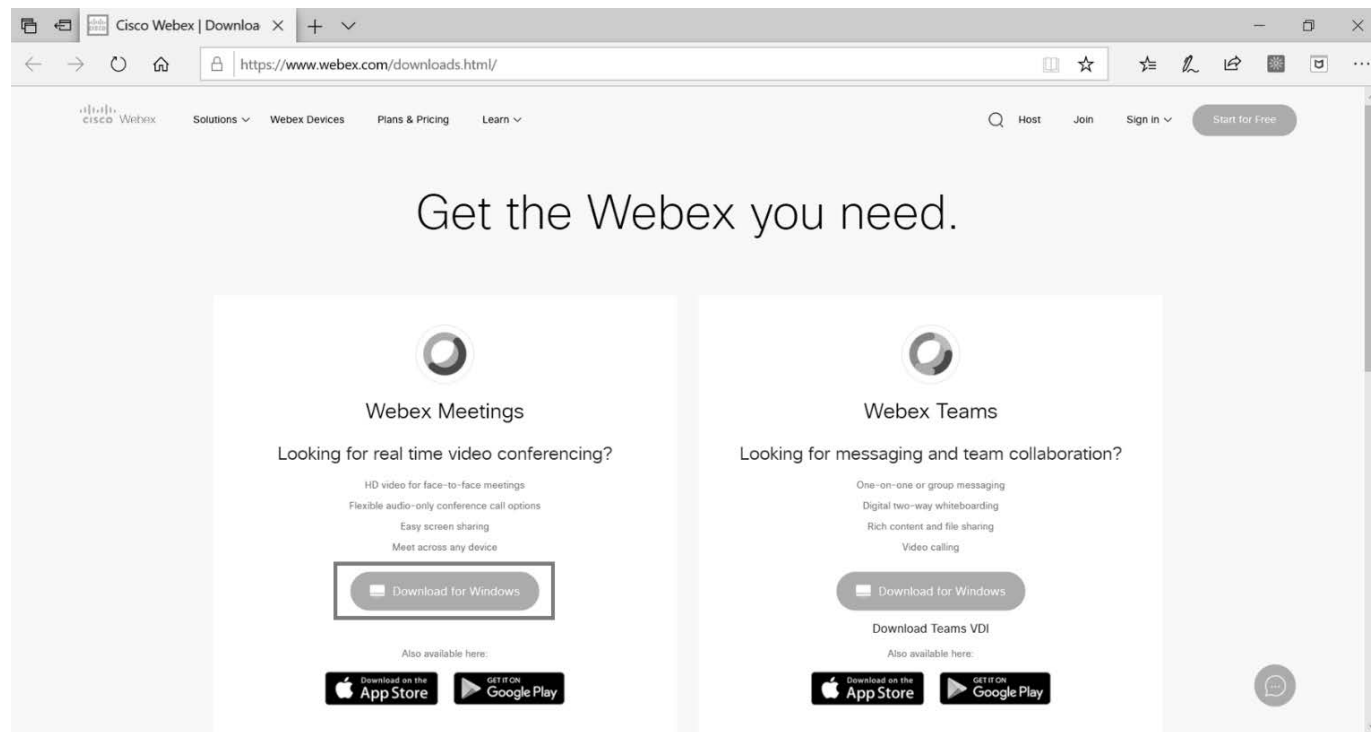
Click 'Go to Meeting' (You are now registered for InstaMeet and your attendance is marked for the meeting).

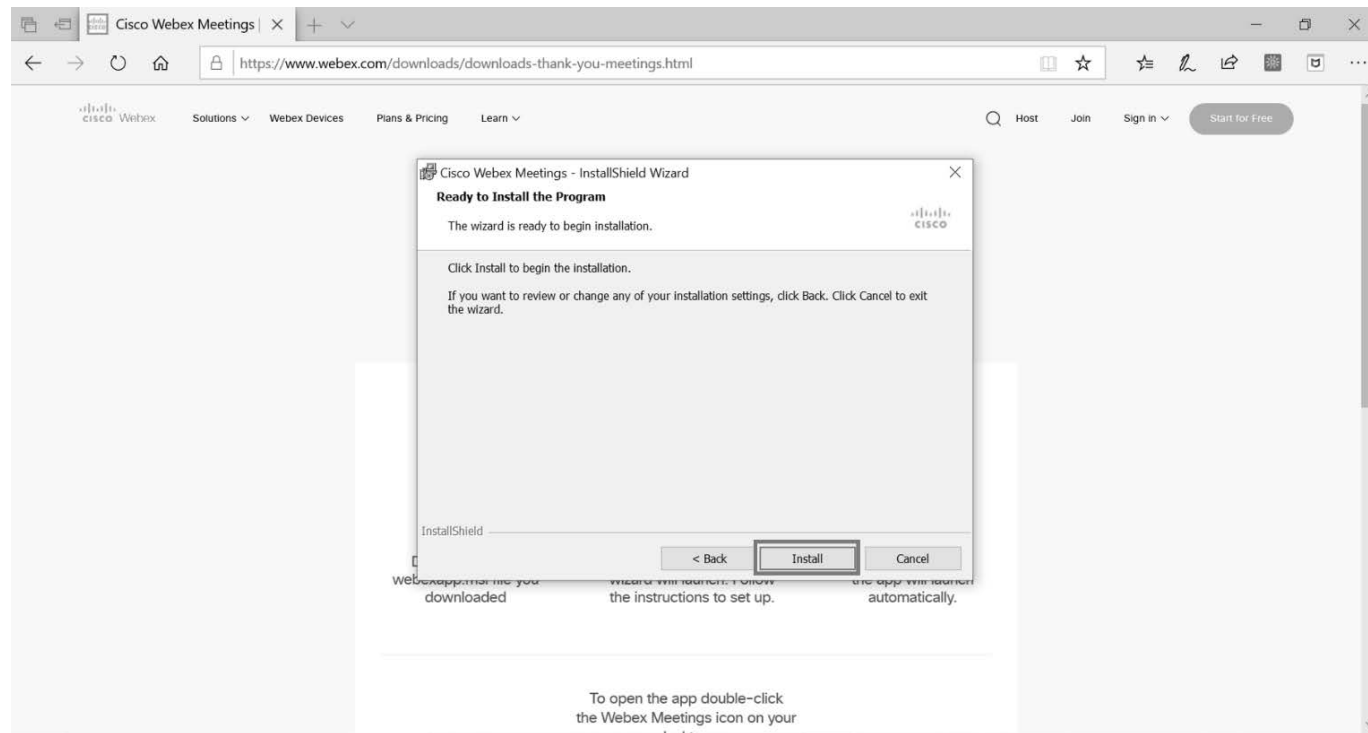
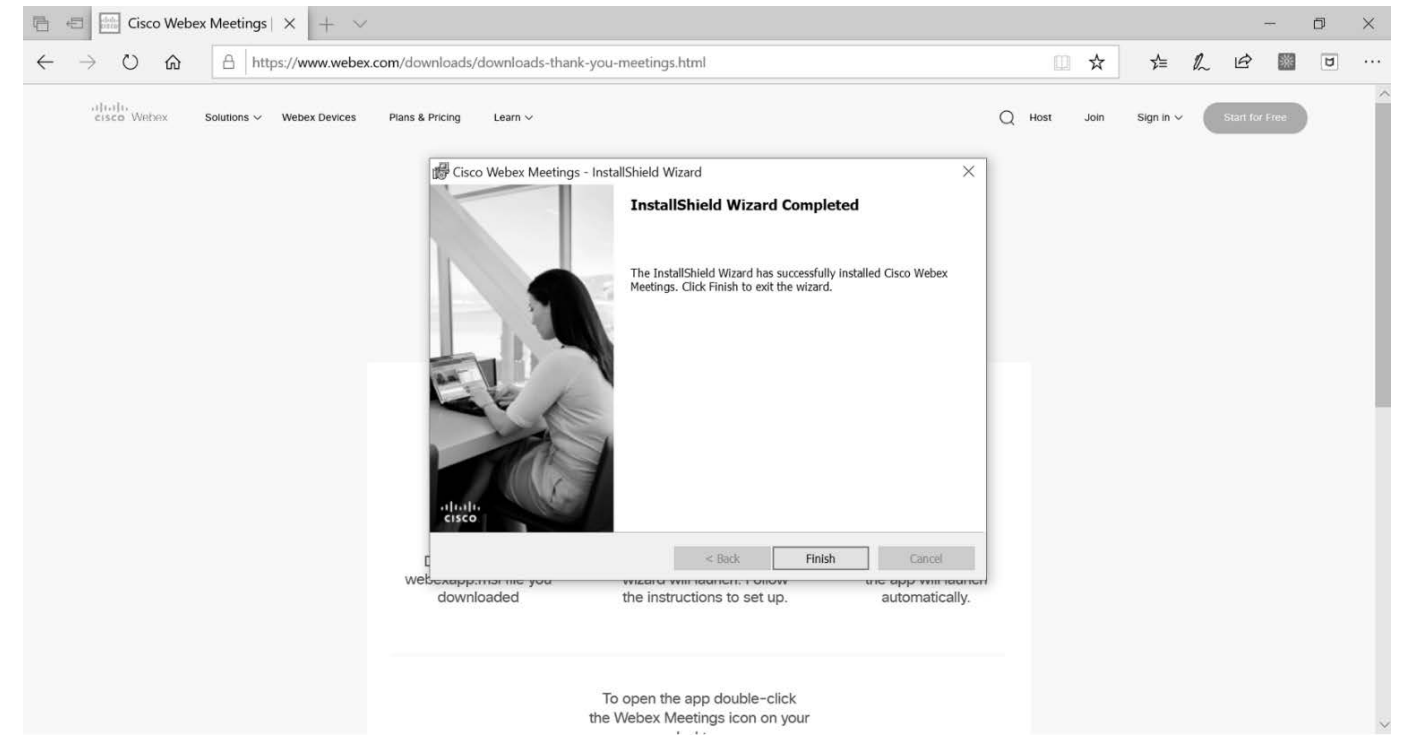
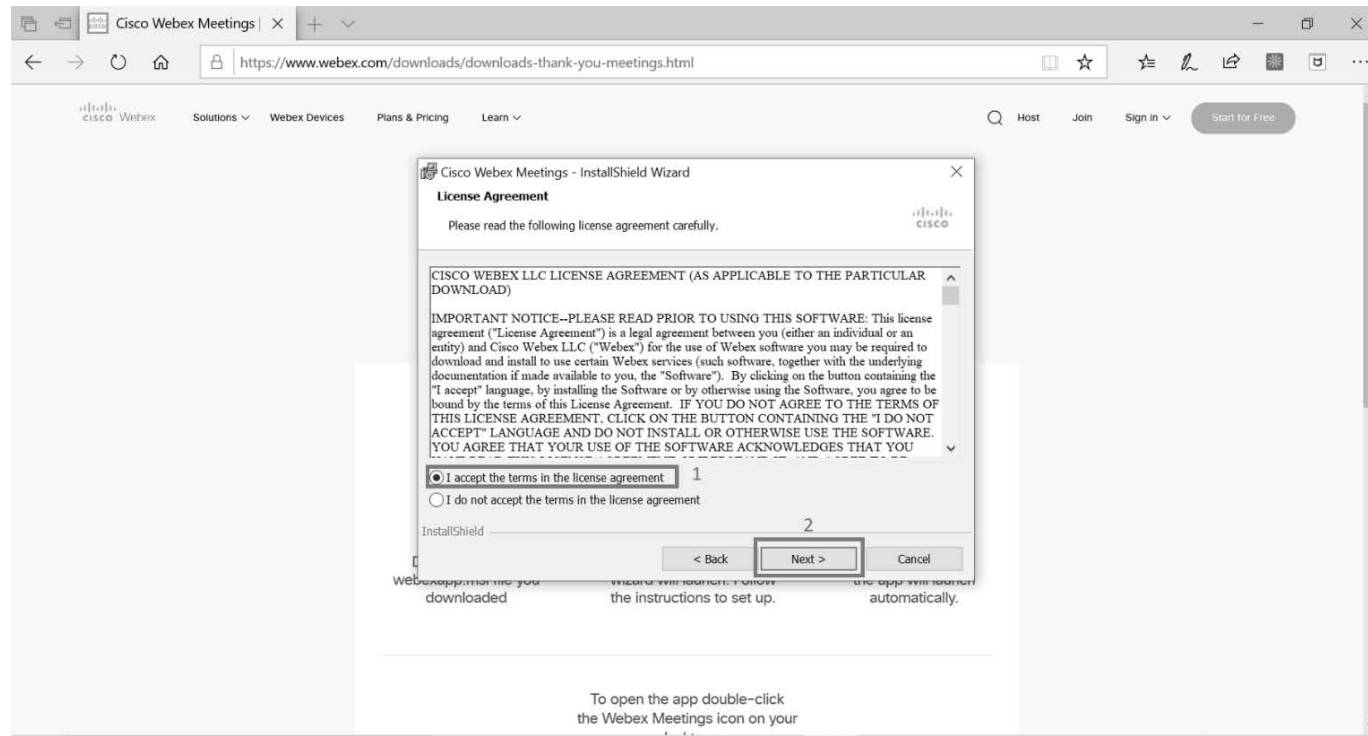
Please refer the instructions (below) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/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:

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





OR

2. If you do not want 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 MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. 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 from Monday, August 10, 2020 to Friday, August 14, 2020.
2. The first 15 Speakers on first come basis will only be allowed to express their views during the meeting.
3. Shareholders will receive '**speaking serial number**' once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. 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 MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

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

1. On the Shareholders VC page, click on the link for e-Voting '**Cast your vote**'.
2. 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**'.
3. After successful login, you will see '**Resolution Description**' and against the same the option '**Favour/Against**' for voting.
4. 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**'.
5. 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.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: 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. 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 or contact on: - Tel: 022-49186175.

InstaMeet Support Desk
Link Intime India Private Limited

E. Other Instructions

1. 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.
2. 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.
3. 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.

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

Name of Director	Mr. Thomas Wenger	Mr. Sanjay Ghadge
Type	Non-Executive Director	Non-Executive Director
Date of Birth	01/08/1973	08/07/1968
Date of Appointment	12/02/2019	08/08/2019
Qualification	Masters in Arts, from University of Basel, Executive MBA from Washington University in St. Louis and completed Clariant Advanced Management Programme from London Business School.	Master Black Belt in Lean Six Sigma and holds degree of Master's of Commerce and Diploma in Business Administration and Diploma in Export and Import.
No. of Equity Shares held	NIL	NIL
Expertise in Specific Functional area	Corporate Finance, Treasury, Tax, Corporate Controlling, Strategic M&A, Divestments and Strategic Integration Projects.	Specialization in Finance, Taxation, Treasury and Costing functions.
Directorships held in other Listed Companies	NIL	NIL
Particulars of Committee Chairmanship/Membership held in other Listed Companies	NIL	NIL
Relationship with other Directors inter-se	None	None

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 63rd Annual Report together with the Audited Statement of Accounts for the Year ended March 31, 2020.

1. Financial performance of the Company

Particulars	₹ in Lakhs)	
	Year ended 31.03.2020	Year ended 31.03.2019
Sales	71,991.97	67,746.63
Profit before tax from continuing operations	3,429.04	2,199.13
Less : Tax expenses (Incl. deferred tax)	1,573.49	1,046.48
Profit after tax from continuing operations	1,855.55	1,152.65
Profit before tax for discontinued operations	3,634.04	815.00
Less : Tax expenses (Incl. deferred tax)	419.08	112.00
Profit after Tax for discontinued operations	3,214.96	703.00
Add : Balance brought forward from previous period	47,379.38	48,304.09
Amount available for appropriation	52,449.89	50,159.74
Appropriations		
Dividend (including interim and final)	1,154.09	2,308.18
Corporate tax on dividend	237.23	474.46
Other comprehensive income (OCI)	300.00	(2.28)
Transferred to retained earnings	(26.76)	-
Balance carried forward to the balance sheet	50,785.33	47,379.38

2. Review of operations

The Company's continued operations reported sales of goods for the year ended March 31, 2020 stood at ₹ 71,991.97 lakhs as against ₹ 67,746.63 lakhs for the previous year ended March 31, 2019. Of the total sales revenue for the year under review, 26% is contributed by exports. The Pigments business showed a growth of 6.8%; the Additives business de-grew by 14.7%; while the Masterbatch business grew by 7.8%, due to the strategic shift in focus on differentiated

product offerings viz. emphasis on specialized products, and not on commoditized products. This shift in strategic approach resulted in an operating profit growth of more than 200%.

Following the COVID-19, a Company wide lockdown was announced on March 16, 2020. However, limited production activities were undertaken in line with Government approvals, to meet demand for essentials needed for the fight against the pandemic.

Post lifting of the lockdowns, both partial and complete, the Company has been running production capacities sub-normally bearing in mind safety of its workforce and demand for its products. Production, dispatches, sales and account receivables have been affected but is improving.

An assessment conducted on the recoverability of the carrying value of assets such as property, plant and equipment, inventory, trade receivable, investment and other current assets as at Balance Sheet date concludes that there is no impact of COVID-19 thereon. Further, an assessment of the Company's capital, financial resources, liquidity positions, ability to service debt and other financing arrangements for the next one year, indicates financial stability.

An evaluation of impact of COVID-19 on internal financial controls over financial reporting concluded that there is no impact of COVID-19 thereon.

There is no materially adverse impact of COVID-19 on the financial statements/results of the Company for the financial year ended March 31, 2020.

3. Dividend

The Board of Directors are pleased to recommend a Final Dividend of ₹ 11/- per share (110 %). The Final Dividend entails cash outflow of ₹ 2539 Lakhs and a payout of 50% of Profit for the year ended March 31, 2020. The total dividend for the period under review amounts to ₹ 11/- per share (110 %) as compared to ₹ 10/- per share (100%) paid for the previous year.

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

4. Sale of Additives Business

In accordance with the approval granted by the Board pursuant to the provisions of Section 179 of the Companies Act, 2013 and the powers conferred upon the Board by Articles of Association of the Company and as per the Valuation Report of M/s. Ernst & Young along with Fairness Report from M/s. BDO, the Company sold its Additives Business along with employees, assets, liabilities and including all licenses, permits, consents and approvals thereto on a going concern by way of a slump sale on a 'as is where is basis' to Clariant India Limited, a Related Party, for a total consideration of ₹ 13.77 Crore, effective from January 1, 2020. The profit on sale of the Additives business amounting to ₹ 8.45 Crore is shown under discontinued operations.

As per Ind AS 105 on Non-current Assets held for sale and discontinued operations, additives business operations have been disclosed as discontinued operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

5. Sale of Masterbatch Business

To align with the strategy of ultimate holding Company, Clariant AG, to divest the entire Masterbatch Business and considering the fact that it would not be sustainable to continue the Masterbatch business in India without technical, Intellectual Property (IP) support and key customer accounts of the Global parent Company, the Board of Directors, at their meeting held on December 19, 2019, decided to sell its Masterbatch Business as a going concern by way of a slump sale under Section 2(42C) of the Income Tax Act, 1961, to PolyOne Polymers India Private Limited or its affiliate in India for a consideration of not less than ₹ 426 Crore, subject to the necessary adjustment, if any, and on the terms and conditions as stated in the Business Transfer Agreement and other documents. The Masterbatch Business comprises of the divestment assets of the Masterbatch Business (including transferring real estate, transferring intellectual property, transferring contracts, permits and licenses, equipment, machinery, assets at the transferring real estate, goodwill etc.) and the divestment liabilities (including liabilities included in the net working capital, liabilities under or in connection with any transferring contract, all liabilities to the extent relating to, or arising out of, any divestment asset etc.).

Pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 ('the Companies Act') read with the Companies (Management

and Administration) Rules, 2014, ('the Rules') (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the LODR Regulations') (as amended from time to time), the Company obtained the approval of shareholders through Postal Ballot on February 10, 2020.

The sale of the Masterbatch business is subject to such other approvals, consents, permissions and sanctions from any regulatory or governmental authority or third party as may be required and which may be agreed to by the Board. The sale transaction is expected to be completed by 2nd Quarter of Financial Year 2020-21.

As per Ind AS 105 on Non-current Assets held for sale and discontinued operations, masterbatch business operations have been disclosed as discontinued operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

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

SEBI vide its notification dated December 26, 2019, has amended Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the said amendment, top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year), are required to prepare and include in its annual report, a business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the SEBI from time to time.

Accordingly, the Business Responsibility Report for the financial year ended March 31, 2020 has been prepared and the same forms the part of the Annual Report.

7. 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.

8. 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.

9. Subsidiary Company

As on March 31, 2020, the Company does not have any subsidiary.

10. Details of Directors and Key Managerial Personnel

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

Further, Mr. Sanjay Ghadge was appointed as Director Finance & Chief Financial Officer of the Company, effective from August 8, 2019, subject to approval of the members. The members accorded their consent for appointment of Mr. Sanjay Ghadge by passing a Special Resolution via Postal Ballot on October 7, 2019. Consequent to his transfer to leadership role within Clariant group globally, Mr. Sanjay Ghadge resigned as the Chief Financial Officer of the Company effective from January 1, 2020. He acts as Non-Executive Director of the Company with effect from January 1, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sanjay Ghadge holds office upto the date of this Annual General Meeting. The Board of Directors recommends the appointment of Mr. Sanjay Ghadge as a Director liable to retire by rotation to the shareholders at the ensuing Annual General Meeting. The Company has received notice in writing from one of the Members of the Company under the provisions of Section 160(1) of the Companies Act, 2013, as amended, proposing the candidature of Mr. Sanjay Ghadge for the office of Director of the Company.

Also, the first term of Mr. Adnan Ahmad as a Vice-Chairman and Managing Director of the Company expired on April 2, 2020. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their respective meeting held on February 14, 2020, approved the re-appointment of Mr. Adnan Ahmad for a second term of three consecutive years from April 3, 2020 to April 2, 2023 subject to the approval of member by a special resolution. The Members have accorded their consent for re-appointment of Mr. Adnan Ahmad, as Vice-Chairman and Managing Director of the Company by passing Special Resolution via Postal Ballot on March 31, 2020.

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

The above appointment/re-appointment forms part of the Notice of the 63rd Annual General Meeting and the respective Resolutions are recommended for your approval.

The brief profiles of Directors, seeking appointment/re-appointment, covering details of their qualification and experience, as required pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 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.

The Board of Directors, on recommendation of Nomination & Recommendation Committee and Audit Committee, at their meeting held on June 17, 2020, have appointed Mr. Ashish Agarwal, Taxation Head – India, as the Interim Chief Financial Officer of the Company with effect from June 17, 2020. There were no other changes in the Key Managerial Personnel of the Company during the year.

11. 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.

12. Number of meeting of the Board

During the year under review, the Board of Directors met 5 times on May 16, 2019, August 8, 2019, November 6, 2019, December 19, 2019 and February 14, 2020.

13. 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, 2020 are annexed to this report as 'Annexure A'.

14. Corporate Social Responsibility

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ('CSR') Committee which constitutes of following members:

Name	Category
Dr. (Mrs.) Indu Shahani	Chairperson Independent Director
Mr. Kewal Handa	Independent Director
Mr. Adnan Ahmad	Vice-Chairman & Managing Director

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

15. Nomination and Remuneration Policy

The Board has, on the recommendation of Nomination and Remuneration Committee, framed a policy on Nomination and Remuneration of its Directors and Key Managerial Personnel, which is available on the website of the Company at www.clariant.com.

16. 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 is available on the Company's website at www.clariant.com.

17. 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.

18. 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:

- In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2020 and of the profit and loss of the Company for that period;
- 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;
- 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.

19. Statutory Auditor & Audit Report

M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, have intimated the Company, vide their letter dated June 17, 2020, that they would resign as the Statutory Auditors of the Company post issuance of their Limited Review Report (LRR) for the Quarter ending June 30, 2020. They informed that Price Waterhouse Network of Firms in India announced of the decision to not provide non audit related services to their audit clients in India which are governed by National Financial Reporting Authority (NFRA). There are certain ongoing non-audit services that are provided by a Price Waterhouse Network licensee entity in India (not being audit firms) to the Company. Due to this voluntary action by the Price Waterhouse Network of Firms in India as above, the Company chose to avail the non audit related services.

The Audit Committee, at their meeting held on June 17, 2020, took on record the intimation letter from M/s. Price Waterhouse Chartered Accountant LLP and also placed on record their sincere appreciation to M/s. Price Waterhouse Chartered Accountant LLP for their commendable service to the Company during their tenure.

Consequent to the proposed resignation of M/s. Price Waterhouse Chartered Accountant LLP, the Board of Directors of the Company, on the recommendation of the Audit Committee, at their meeting held on June 17, 2020 have approved the appointment of M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W), as Statutory Auditors of the Company in the casual vacancy to be caused by the resignation of M/s. Price Waterhouse Chartered Accountant LLP, for a term of five years, subject to approval of Shareholders by an Ordinary Resolution.

The proposed resolution is mentioned in the Notice of the Annual General Meeting.

M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, in their Audit report for the Financial year ended March 31, 2020, 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.

20. 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 2020-21, subject to approval of Central Government, if any. The cost audit report for the 12 months ended March 31, 2019 has been filed on due date.

21. 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 2019-20.

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

22. 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.

23. Extract of Annual Return

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

24. 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.

25. Related Party Transactions

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

All the Related Party Transactions entered during the 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 F' to this report.

26. 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.

27. 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.

28. 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.

29. 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 instance of an allegation of Sexual Harassment which stands addressed.

30. 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.

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

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

32. Acknowledgement

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

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

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

Mumbai, June 17, 2020

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:
 - Filter press washing time reductions
 - Re-cycling of treated waste water for Plant floor washing, Scrubber system, Lime solution in ETP, Drum washings
 - Use of rainwater harvesting pond water for gardening purpose
 - Zero leak type filter presses being used
- Steam consumption optimized by high pressure filtrations
- Utilities consumptions optimized by increasing various batch sizes
- Electricity consumptions optimized by:
 - Use of VFD's to all motors above 40 HP
 - Timer based controls for centralized A/C
 - Promoted use of LED lights across site-Plants & offices
- Waste recovery of boiler for improve of efficiency.

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

- Use of Bio Diesel as fuel in place of Diesel for Dryer, which resulted in environment benefit and also cost
- Use of transparent roof sheets for natural lights thereby leading to reduction in energy consumption on lighting equipment

(iii) Capital investment on energy conservation equipment: ₹ 83.23 Lakhs**B. Technology Absorption****(i) The efforts made towards technology absorption:**

- New products were introduced which generated ammonia gas. A fully automated convertor was installed to convert the ammonia gas to nitrogen and water and to maintain a sustainable environment.
- Installation of high-performance mills in production to reduce specific electricity consumption.

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

- Ongoing product development activities to reduce cost, optimize processes and import substitution.

(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 ₹ **28,455.78 Lakhs** (previous period ₹ 26,856.66 Lakhs).

Foreign exchange used ₹ **20,807.97 Lakhs** (previous period ₹ 25,687.00 Lakhs).

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

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

Mumbai, June 17, 2020

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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

1. Overview of Corporate Social Responsibility**a. Philosophy and Policy**

Clariant considers sustainability as its economic, environmental and social responsibility, which is why it forms one of the key pillars of the Company's strategy globally. We strive to nurture sustainable local development and add value to the local economy in which we operate.

The CSR Policy of Clariant in India has been framed adhering to the Corporate Citizen Activities (CCA) guidelines of Clariant International and in accordance with Section 135 of 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 in India, CSR has been led by a principled approach by governing itself in an ethical, accountable and transparent manner. The Company caters to projects that have a focus towards an inclusive growth and sustained progress. The projects are identified in the vicinity of its sites, and aims to achieve a long term, positive impact on society. Projects implemented in this year include :

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

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

b. Activities

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

c. Governance

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

2. Composition of CSR Committee

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

The Composition of the CSR Committee is as follows:

Dr. (Mrs.) Indu Shahani	Independent Director, Chairperson
Mr. Kewal Handa	Independent Director
Mr. Adnan Ahmad	Vice-Chairman & Managing Director

3. Average Net Profit of the Company for the last three financial years (Average Net Profit calculated in accordance with the provisions of Section 198 of the Companies Act, 2013): ₹ **2,743 Lakhs****4. Prescribed CSR Expenditure** (2% of the amount as in item 3. Above): ₹ **54.86 Lakhs**

5. Details of CSR spent during the financial period April 1, 2019 to March 31, 2020:

- a. Total amount to be spent for the Financial year: ₹ 54.86 Lakhs
- b. Amount unspent, if any: ₹ 2.61 Lakhs
- c. Manner in which the amount spent during the Financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
1	Visit to the mentally challenged girls/ women at PREM Daan, Airoli	Community	Airoli (Maharashtra)	9,450.00	9,450.00	9,450.00	Direct
2	Sapling plantation activity was undertaken at Murar Nursery	Community	Airoli (Maharashtra)	2,520.00	2,520.00	2,520.00	Direct
3	Distribution of desktops to Local ZP Schools and NGOs in vicinity of Sites and HQ.	Education	All Sites including Airoli	61,538.80	61,538.80	61,538.80	Direct
4	Blood donation campaign across all Sites and HQ	Health/ Safety	All Sites including Airoli	2,400.00	2,400.00	2,400.00	Indirect
5	A short Scientific informational session was held for children of MA Niketan and Vatsalya inclusive of sponsored lunch.	Education	Airoli (Maharashtra)	27,700.00	27,700.00	27,700.00	Indirect
6	Purchase and Distribution of School bags and stationary to Children in Nandavasala school, Makala school and Sanasala School	Education	Nagda (Madhya Pradesh)	47,893.60	47,893.60	47,893.60	Direct
7	Sanitation facilities were installed in Government primary school, Nandvasala including water tank, wash basin and all internal fittings with installation for the girls washroom.	Health/ Safety	Nagda (Madhya Pradesh)	35,400.00	35,400.00	35,400.00	Indirect
8	Flood relief work at Kolhapur, Satara and Sangli and nearby areas	Community	Roha (Maharashtra)	81,191.00	81,191.00	81,191.00	Indirect
9	Organised a Movie show for children at MA Niketan and Vatsalya	Education	Airoli (Maharashtra)	65,312.00	65,312.00	65,312.00	Direct
10	Contributed Computer tables to Bharat commerce School Nagda.	Education	Nagda (Madhya Pradesh)	22,125.00	22,125.00	22,125.00	Direct
11	Donated PVC pipe to Sipcot Project office to ensure clean drinking water to the nearby villagers.	Community	Cuddalore (Tamil Nadu)	4,14,351.84	4,14,351.84	4,14,351.84	Indirect
12	Donated Water coolers to Kankara Muvada and Maganpuri Primary school.	Health/ Safety	Kalol (Gujarat)	40,677.00	40,677.00	40,677.00	Direct
13	Supported Indian Cancer Society for treatment of cancer patients	Community	Airoli (Maharashtra)	5,44,000.00	5,44,000.00	5,44,000.00	Direct
14	Donated laboratory model and apparatus to the 3 local ZP Schools	Education	Vashere (Maharashtra)	22,458.00	22,458.00	22,458.00	Direct
15	Conducted Science exhibition at Birla college for local schools and colleges.	Education	Vashere (Maharashtra)	1,61,000.00	1,61,000.00	1,61,000.00	Direct

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
16	Organised an informational session on Science at Rathi school, Roha in collaboration with M/s. Science Utsav	Education	Roha (Maharashtra)	15,000.00	15,000.00	15,000.00	Indirect
17	Organised a 50 days Tailoring training session to empower women. Also, donated Sewing machines to 'Best Performers' after training.	Community	Rania (Gujarat)	1,57,500.00	1,57,500.00	1,57,500.00	Indirect/ Direct
18	Donated ceiling fans to local ZP Sama Primary School	Education	Kalol (Gujarat)	6,600.00	6,600.00	6,600.00	Direct
19	Donated Magnetic board at local ZP Schools - Sama Primary School and Sokhadana Muvada primary School.	Education	Kalol (Gujarat)	11,250.00	11,250.00	11,250.00	Direct
20	Arranged a Movie session and provided Snacks, toiletries and basic kitchen requirements at Prem Daan	Community	Airoli (Maharashtra)	11,129.00	11,129.00	11,129.00	Direct
21	Constructed concrete platforms in school for lunch preparation in Kishor Nav-Jeevan Shantha	Health/ Safety	Nagda (Madhya Pradesh)	44,377.30	44,377.30	44,377.30	Direct
22	Financial Support for lab work at JM Rathi School, Roha	Education	Roha (Maharashtra)	2,00,000.00	2,00,000.00	2,00,000.00	Direct
23	Donated 25 Sewing Machines to women belonging to marginalized category of 3 villages.	Community	Roha (Maharashtra)	1,83,025.00	1,83,025.00	1,83,025.00	Direct
24	Donated Lab chemicals and Lab apparatus for the usage of Higher secondary school students of Govt. Higher sec. School, Poondiyankuppam village, Cuddalore	Education	Cuddalore (Tamil Nadu)	40,581.50	40,581.50	40,581.50	Direct
25	Arranged a Road safety training for Students of local ZP Schools	Safety	Nagda (Madhya Pradesh)	2,300.00	2,300.00	2,300.00	Direct
26	Donated Lab items to local ZP School - P.K.S high School at Derol	Education	Kalol (Gujarat)	7,322.20	7,322.20	7,322.20	Direct
27	Arranged renovation of Sothikuppam School Building, donated furniture and repairing of toilet blocks	Education	Cuddalore (Tamil Nadu)	2,27,053.00	2,27,053.00	2,27,053.00	Indirect
28	Provided medicinal support to Prem Daan	Community	Airoli (Maharashtra)	40,000.00	40,000.00	40,000.00	Direct
29	Donated to Chief Ministers Disaster Fund (Maharashtra and Telangana) for fight against COVID19	Community	Airoli (Maharashtra & Telangana)	15,00,000.00	15,00,000.00	15,00,000.00	Direct
30	Donated lab material to the local SN Dharmadhikari ASC College	Education	Roha (Maharashtra)	3,65,700.90	3,65,700.90	3,65,700.90	Direct
31	A pump was donated to the local Keshavshrusti Krushi Seva Kendra for spraying disinfectant in the local communities.	Community	Roha (Maharashtra)	2,00,000.00	2,00,000.00	2,00,000.00	Direct

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
32	Organised an Inter-school competition on Science Quiz, Elocution and Essay Writing at M B Patil English School Varse.	Education	Roha (Maharashtra)	24,471.00	24,471.00	24,471.00	Indirect
33	Developed a lab platform in the nearby ZP school -M B Patil English School Varse	Education	Roha (Maharashtra)	3,39,000.00	3,39,000.00	3,39,000.00	Direct
34	Donated class room materials to local ZP Schools - D G Tatkare Madhyamik Vidyalaya Bhalgav and MB Patil English School, Varse,	Education	Roha (Maharashtra)	1,55,000.00	1,55,000.00	1,55,000.00	Direct
35	Administrative Costs	-	-	1,57,086.52	1,57,086.52	1,57,086.52	-
			Spend ₹	52,25,413.66	52,25,413.66	52,25,413.66	

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

As Clariant considers social responsibility as an integral part of its business activities and endeavors to contribute for the benefit of society, last year as well our employees have contributed significantly in monetary as well as non-monetary activities for the society. We continued our major focus on 3 strategic areas, firstly, Promote excellence in Chemistry (ChemX); secondly, Extend the safety and health priority to the Community (Suraksha Dhaal); and lastly, Educate and empower the girl /women (Janani Pathshala) to address local concerns with a far-reaching impact. In Health Sector, last year too, the Company conducted a blood donation campaign for children from Thalassemia across its sites and Headquarter (HQ). More than 370 employees, both Company and Contract, donated blood. This is the fourth year we have had this campaign across Sites and at HQ. This year we completed 26 projects on Education, 4 projects on Health and 17 projects on Community Welfare, out of which we had 15 non-monetary projects, where around 719 employees participated in CSR activities near their Sites and HQ and devoted roughly 774 hours of personal time.

While, during the period under review, the Company has not met the recommended spent, the Company continues to propel the CSR spend in various identified focus areas and increase the Company's CSR spend on the basis of merit of the CSR projects both monetary as well as non-monetary terms.

7. Responsibility Statement

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

For and on behalf of the Board of Directors

Dr. (Mrs.) Indu Shahani
Chairperson - CSR Committee
DIN (00112289)

Mumbai, June 17, 2020

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

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, 2020	Ratio of Remuneration to median remuneration of employees
1.	Mr. Adnan Ahmad Vice-Chairman & Managing Director	471.23	70
2.	Mr. Sanjay Ghadge Non-Executive Director	280.73	41.7

* Mr. Sanjay Ghadge was appointed as Director Finance from August 8, 2019. He resigned from the position of Chief Financial Officer w.e.f. January 1, 2020. He acts as Non-Executive Director of the Company w.e.f. January 1, 2020.

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

ii. The percentage increase in remuneration of each Executive Director, Chief Financial Officer, Company Secretary in the Financial year:

Executive Directors, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the Financial year
Mr. Adnan Ahmad Vice-Chairman & Managing Director	Nil
Mr. Sanjay Ghadge Chief Financial Officer*	6.5%
Ms. Ameer Joshi Company Secretary	8.7%

*Till December 31, 2019

iii. The percentage increase in the median remuneration of employees in the Financial year: 10%

iv. The number of permanent employees on the rolls of Company as on March 31, 2020: 743

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: 10.37%

Average Percentile Increase for managerial personnel: 2.85%

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

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

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

Mumbai, June 17, 2020

ANNEXURE D

Form No. MR-3**Secretarial Audit Report****For the Financial year ended March 31, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration 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, 2020, 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Amendments;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with Amendments, regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The other laws that are applicable specifically to the Company are as follows:
 - a) Factories Act, 1948;
 - b) Environment Protection Act, 1986 and other applicable environmental laws;
 - c) Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003;
 - d) All applicable labour laws including Industrial Disputes Act, 1947, Minimum Wages Act, 1948, Employees' Provident Fund & Miscellaneous Provisions Act, 1952, etc.

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

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

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

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

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.

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.

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 audit period the Company decided to divest Business Unit – Masterbatch and accordingly had taken approval of Members, via postal ballot, under Section 180 (1) (a) of the Companies Act, 2013. The Members passed Special Resolution dated February 10, 2020, for sale of Business Unit – Masterbatch to PolyOne Polymers India Private Limited or its affiliate in India as a going concern by way of Slump Sale.

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

For J R Ahuja & Co.
Company Secretary

Jagdish Ahuja
Proprietor

Date: June 13, 2020
Place: Mumbai

FCS No. 9079; C.P. No. 10563
UDIN: F009079B000340058

3. I have not verified the correctness and appropriateness of financial records such as Books of Accounts and Taxations Records of the Company.

4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J R Ahuja & Co.
Company Secretary

Jagdish Ahuja
Proprietor

Date: June 13, 2020
Place: Mumbai

FCS No. 9079; C.P. No. 10563
UDIN: F009079B000340058

ANNEXURE E

Form No. MGT-9

Extract of Annual Return

For the Financial Year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24110MH1956PLC010806
2.	Registration Date	27/12/1956
3.	Name of the Company	Clariant Chemicals (India) Limited
4.	Category/Sub-Category of the Company	Public Company Limited by Shares
5.	Whether listed Company (Yes/No)	Yes
6.	Address of Registered Office and Contact details	Reliable Tech Park, Gut No. 31, Village Elthan, off Thane-Belapur Road, Airoli, Navi Mumbai - 400 708, Maharashtra Tel: 022 7125 1000 Fax: 022 7125 1201 Email id: investor.relations_india@clariant.com Website: www.clariant.com
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra Tel: 022 49186000 Fax: 022 49186060 Email id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company:

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1.	Synthetic organic coloring matter	20114	63%
2.	Colours, Dyes and Pigments	20224	20%

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

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

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

A. Category-wise Share Holding:

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
[1]	Indian									
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Foreign									
(a)	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals									
(c)	Bodies Corporate	11772050	0	11772050	51.00	11772050	0	11772050	51.00	0.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	11772050	0	11772050	51.00	11772050	0	11772050	51.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	11772050	0	11772050	51.00	11772050	0	11772050	51.00	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds/UTI	1398180	50	1398230	6.06	16749	50	16799	0.07	-5.99
(b)	Alternate Investment Funds	306597	0	306597	1.33	0	0	0	0.00	-1.33
(c)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	12821	0	12821	0.06	52897	0	52897	0.23	0.17
(f)	Financial Institutions/Banks	314923	2285	317208	1.37	330033	2275	332308	1.44	0.07
(g)	Insurance Companies	0	0	0	0.00	770624	0	770624	3.34	3.34
(h)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Others (Specify)									
	Foreign Bank	971	0	971	0.00	971	0	971	0.00	0.00
	Sub Total (B)(1)	2033492	2335	2035827	8.82	1171274	2325	1173599	5.08	-3.74

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2019				No. of Shares held at the end of the year March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Non-Institutions									
(a)	Bodies Corporate									
	Indian	1248864	0	1248864	5.41	628910	0	628910	2.72	-2.69
	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	5884230	417198	6301428	27.30	6700750	361941	7062691	30.60	3.30
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	587138	20250	607388	2.63	1234422	20250	1254672	5.44	2.81
(c)	NBFCs registered with RBI	17169	0	17169	0.07	16147	0	16147	0.07	-0.00
(d)	Others (Specify)									
	Non-Resident Indian	481370	1537	482907	2.09	530897	1535	532432	2.31	0.22
	Overseas corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	IEPF	99641	0	99641	0.43	108988	0	108988	0.47	0.04
	Clearing Member	114342	0	114342	0.50	33297	0	33297	0.14	-0.36
	Trusts	5266	2090	7356	0.03	5366	1950	7316	0.03	-0.00
	Foreign Nationals	0	0	0	0.00	225	0	225	0.00	0.00
	HUF	393193	0	393193	1.70	489838	0	489838	2.12	0.42
	Office Bearers	0	1633	1633	0.01	0	1633	1633	0.01	0.00
	Sub Total (B)(2)	8831213	442708	9273921	40.18	9748840	387309	10136149	43.91	3.73
	Total Public Shareholding(B)=(B)(1)+(B)(2)	10864705	445043	11309748	49.00	10920114	389634	11309748	49.00	0.00
	Total (A)+(B)	22636755	445043	23081798	100.00	22692164	389634	23081798	100.00	0.00
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	22636755	445043	23081798	100.00	22692164	389634	23081798	100.00	

B) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – April 1, 2019			Shareholding at the end of the year – March 31, 2020			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	
1	Clariant Plastics and Coatings Ltd	7662624	33.20	0.00	7662624	33.20	0.00	0.00
2	EBITO Chemiebetteilungen AG	4109426	17.80	0.00	4109426	17.80	0.00	0.00
	Total	11772050	51.00	0.00	11772050	51.00	0.00	0.00

C) Change in Promoters' Shareholding:

Sr. No.	Name of Promoter	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (01-04-19)/end of the year (31-03-20)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Clariant Plastics and Coatings Ltd	7662624	33.20					
	Changes during the year			-	-	-	-	-
	At the end of the year	7662624	33.20					
2	EBITO Chemiebetteilungen AG	4109426	17.80					
	Changes during the year			-	-	-	-	-
	At the end of the year	4109426	17.80					

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

Sr. No.	Name of Shareholders	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (01-04-19)/end of the year (31-03-20)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Bajaj Allianz Life Insurance Company Ltd.	575503	2.49					
	Changes during the year			05 Apr 2019	15000	Transfer	590503	2.56
				26 Apr 2019	6300	Transfer	596803	2.59
				06 Dec 2019	41000	Transfer	637803	2.76
				13 Dec 2019	8000	Transfer	645803	2.80
				20 Dec 2019	2000	Transfer	647803	2.81
				31 Dec 2019	2000	Transfer	649803	2.82
				03 Jan 2020	10000	Transfer	659803	2.86
				10 Jan 2020	1000	Transfer	660803	2.86
				17 Jan 2020	10000	Transfer	670803	2.91
				24 Jan 2020	25000	Transfer	695803	3.01
				31 Jan 2020	22000	Transfer	717803	3.11
				07 Feb 2020	41321	Transfer	759124	3.29
				06 Mar 2020	5000	Transfer	764124	3.31
				13 Mar 2020	2000	Transfer	766124	3.32
				20 Mar 2020	4500	Transfer	770624	3.34
	At the end of the year	770624	3.34					
2	Nihar Nandan Nilekani	212012	0.92					
	Changes during the year			31 May 2019	38000	Transfer	250012	1.08
				29 Jun 2019	-23000	Transfer	227012	0.98
	At the end of the year	227012	0.98					

Sr. No.	Name of Shareholders	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (01-04-19)/end of the year (31-03-20)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
3	Janhavi Nilekani	23000	0.10					
	Changes during the year			14 Jun 2019	220000	Transfer	243000	1.05
				05 Jul 2019	-17000	Transfer	226000	0.98
	At the end of the year	226000	0.98					
4	Rohini Nilekani	0	0					
	Changes during the year			14 Jun 2019	200000	Transfer	200000	0.87
	At the end of the year	200000	0.87					
5	General Insurance Corporation Of India	173061	0.75					
	Changes during the year			-	-	-	-	-
	At the end of the year	173061	0.75					
6	Nandan M Nilekani	0	0					
	Changes during the year			29 Jun 2019	150000	Transfer	150000	0.65
	At the end of the year	150000	0.65					
7	National Insurance Company Ltd	96551	0.42					
	Changes during the year			-	-	-	-	-
	At the end of the year	96551	0.42					
8	Stock Holding Corporation Of India Ltd - A/C NSE Derivatives	757	0.00					
	Changes during the year			10 May 2019	150	Transfer	907	0.00
				17 May 2019	-50	Transfer	857	0.00
				24 May 2019	35195	Transfer	36052	0.16
				31 May 2019	-370	Transfer	35682	0.16
				05 Jul 2019	-32	Transfer	35650	0.16
				12 Jul 2019	102	Transfer	35752	0.16
				26 Jul 2019	-52	Transfer	35700	0.15
				23 Aug 2019	417	Transfer	36117	0.16
				30 Aug 2019	-1017	Transfer	35100	0.15
				06 Sep 2019	717	Transfer	35817	0.16
				13 Sep 2019	-200	Transfer	35617	0.15
				20 Sep 2019	270	Transfer	35887	0.16
				30 Sep 2019	100	Transfer	35987	0.16
				04 Oct 2019	-100	Transfer	35887	0.16
				25 Oct 2019	-350	Transfer	35537	0.15
				01 Nov 2019	-437	Transfer	35100	0.15
				15 Nov 2019	669	Transfer	35769	0.16

Sr. No.	Name of Shareholders	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (01-04-19)/end of the year (31-03-20)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				13 Dec 2019	502	Transfer	36271	0.16
				20 Dec 2019	-25	Transfer	36246	0.16
				31 Dec 2019	225	Transfer	36471	0.16
				03 Jan 2020	-35000	Transfer	1471	0.01
				10 Jan 2020	24	Transfer	1495	0.01
				17 Jan 2020	146	Transfer	1641	0.01
				24 Jan 2020	-250	Transfer	1391	0.01
				21 Feb 2020	235	Transfer	1626	0.01
				28 Feb 2020	544	Transfer	2170	0.01
				06 Mar 2020	42055	Transfer	44225	0.19
				13 Mar 2020	4901	Transfer	49126	0.21
				20 Mar 2020	9651	Transfer	58777	0.26
				27 Mar 2020	-203	Transfer	58574	0.25
	At the end of the year	58574	0.25					
9	Shantilal Ramji Gala	25000	0.11					
	Changes during the year			10 May 2019	1500	Transfer	26500	0.11
				24 May 2019	2000	Transfer	28500	0.12
				31 May 2019	1000	Transfer	29500	0.13
				19 Jul 2019	1500	Transfer	31000	0.13
				02 Aug 2019	1000	Transfer	32000	0.14
				13 Sep 2019	1000	Transfer	33000	0.14
				22 Nov 2019	2000	Transfer	35000	0.15
				06 Dec 2019	250	Transfer	35250	0.15
				13 Dec 2019	250	Transfer	35500	0.15
				20 Dec 2019	250	Transfer	35750	0.16
				27 Dec 2019	750	Transfer	36500	0.16
				28 Feb 2020	900	Transfer	37400	0.16
				13 Mar 2020	2600	Transfer	40000	0.17
				20 Mar 2020	8193	Transfer	48193	0.21
				27 Mar 2020	7000	Transfer	55193	0.24
	At the end of the year	55193	0.24					
10	Vijay Kishanlal Kedia	0	0.00					
	Changes during the year			31 Dec 2019		Transfer	53765	0.23
				21 Feb 2020		Transfer	-53765	-0.23
				31 Mar 2020		Transfer	53765	0.23
	At the end of the year	53765	0.23					

E) Shareholding of Director and Key Managerial Personnel:

Sr. No.	Name of Director/ KMP	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of Shares at the beginning (01-04-19)/end of the year (31-03-20)	% of Total Shares of the Company				No. of Shares	% of total Shares of the Company
NIL								

V. INDEBTEDNESS: NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the year ended March 31, 2020.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR THE YEAR ENDED MARCH 31, 2020:**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Adnan Ahmad Vice-Chairman & Managing Director	Sanjay Ghadge* Executive Director & Chief Financial Officer till December 31, 2019
1.	Gross Salary	151.07	160.74
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value perquisites u/s 17(2) Income Tax Act, 1961	61.03	86.36
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2.	Share based payments	114.14	-2.44
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of Profit		
	- Others, Specify		
5.	Others		
	Provident Fund & Superannuation Fund	26.84	-
	Performance Bonus	118.15	36.07
	Total (A)	471.23	280.73
	Ceiling as per the Act (Being 10% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)		₹ 600.22 Lakhs

* Mr. Sanjay Ghadge was appointed as Director Finance from August 8, 2019. He resigned from the position of Chief Financial Officer w.e.f. January 1, 2020. He acts as Non-Executive Director of the Company w.e.f. January 1, 2020.

B. Remuneration of other Directors:

(₹ in Lakhs)

Sr. No.	Name of the Director	Fee for attending Board/ Committee Meetings	Commission	Others	Total
1.	Independent Directors				
	Mr. Kewal Handa	9.95	10	-	19.95
	Mr. Sunirmal Talukdar	11.60	8	-	19.60
	Dr. (Mrs.) Indu Shahani	9.65	6	-	15.65
	Total (1)	31.20	24.00	-	55.20
2.	Other Non-Executive Directors				
	Mr. Alfred Muench	-	-	-	-
	Mr. Karl Holger Dierssen (till May 31, 2019)	-	-	-	-
	Mr. Thomas Wenger	-	-	-	-
	Mr. Sanjay Ghadge (w.e.f. January 1, 2020)	-	-	8.94	8.94
	Total (2)	-	-	8.94	8.94
	Total (B)=(1+2)	31.20	24.00	8.94	64.14
	Ceiling as per the Act (Being 1% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)				₹ 60.02 lakhs

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP Ms. Ameer Joshi Company Secretary
1.	Gross Salary	22.68
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-
	(b) Value perquisites u/s 17(2) Income Tax Act, 1961 of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Share based payments	-
3.	Sweat Equity	-
4.	Commission	-
	- As % of Profit	-
	- Others, Specify	-
5.	Others	
	Contribution to Provident Fund & Superannuation Fund, Leave encashment etc.	1.62
	Performance Bonus	2.31
	Total (C)	26.61

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

For and on behalf of the Board of Directors

Kewal HandaChairman
DIN (00056826)

Mumbai, June 17, 2020

Adnan AhmadVice-Chairman & Managing Director
DIN (00046742)

ANNEXURE F

FORM AOC-2

Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020:

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Value
Clariant (Singapore) Pte. Ltd.	Sale of finished goods as per the purchase order raised from time to time.	On Going	Ordinary course of business and at arm's length price	-	NIL	18,289.68

For and on behalf of the Board of Directors

Kewal Handa

Chairman
DIN (00056826)

Mumbai, June 17, 2020

Adnan Ahmad

Vice-Chairman & Managing Director
DIN (00046742)

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview

2019 was a difficult year for global economic activity, with sluggish performance in several key markets. Global output is estimated to have grown at 2.9 percent in 2019, which is 0.1 percentage point lower than estimated earlier and 0.7 percentage point lower than in 2018. The slowdown primarily reflects the impact of multiple factors, for example trade policy uncertainty, geopolitical tensions, intensifying social unrest in several countries, weather-related disasters and stress in key emerging market economies. The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protective measure are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020. In a baseline scenario, which assumes the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. Within this scenario, the IMF predicted India would grow at 1.9 percent in 2020, that will make it one of the few major economies, alongside China, expected to register an expansion despite the pandemic. For the following fiscal year, IMF projects that the Indian economy could grow 7.4 percent.

Industry Overview: Specialty Chemicals

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

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

The Indian chemical industry is the third largest producer in Asia and the sixth largest producer globally, according to the

Ministry of Commerce, FICCI and CII. It has an estimated market size of USD 178 Billion, within which, specialty chemicals account for about approximately USD 35 Billion. The specialty chemicals constitute approximately 22% of the total chemicals and petrochemicals market in India.

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

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

The India growth story based on rising consumer spend and infrastructure growth is expected to drive increased demand for organic colorants in Packaging inks, Plastics and Paints & Coatings. The per capita consumption of colorants estimated at 50-60 grams is far below the Europe consumption of 400 grams. Though the local demand for organic pigments is expected to grow at GDP growth rate, India is expected to outperform and register a higher growth rate due to exports.

Consumer preference has skewed towards products which are safe to use, brighter and have good quality. These products command a premium over the typical white/black colors. Exterior paints with vibrant colors and increasing functionalities, bright colored magazines pages, colorful advertising on hoardings, banners, pamphlets with vivid colors, evocative packaging on foods and beverages, etc. are some of the examples of changing consumer preferences. Clariant is a leading global manufacturer of organic pigments, pigment preparations and dyes that find application in Paints and Coatings, Packaging and Printing Inks, Plastics and other specialty applications. Clariant pigments help enhance the visual narrative and provide functionality to a host of products that touch our daily life like soaps, detergents and hand sanitizers. Based on extensive experience and expertise in color, our pigments provide vibrant and safe colors to the world. The product portfolio meets the demands of key market segments that include health & hygiene,

automotive, industrial, decorative and architectural paints & coatings, plastic applications including films, fibers, aluminum finishing, traditional and non-impact printing and electronic displays. We have a significant presence in the markets we serve and have positioned ourselves as a reliable and preferred supplier to major players in the domestic market.

Covid-19 represents scenarios which are quite fluid and fundamentally difficult to quantify. Behavioral change of consumers is expected to increase consumption in the Health & Hygiene segment (soaps, detergents and hand sanitizers) and the Packaging Inks segment (packaged foods & beverages) in the short to medium term. It is predicted that, in the short term, consumer spend will gravitate towards essential spend adversely affecting the other key segment like Paints & Coatings (decorative, automotive). However, exports are expected to remain unaffected in the short to medium term. In the medium to long term, the India growth story based on demographic dividend, rising consumption and infrastructure creation remains intact.

India's plastic industry is evolving. It has highest growth rate in the world with estimated exports of finished goods to double in the next five years. Globally, India is emerging as a leading hub for plastics manufacturing and processing. Increasing demand from industries such as packaging, healthcare, electronics, automotive, consumer goods, etc. is the factor driving the growth of masterbatch market. Sustainability and circular economy have witnessed a positive trend in India in the recent years owing to increased awareness of consumers regarding the environment. Considering the COVID-19 situation in Q1-2020, plastics have become a material of choice mainly in packaging due to key factors such as hygiene, safety and integrity across food, pharma and healthcare goods. The demand for non-food, premium goods and industrial packaging will be lower and depends on the GDP growth of the country.

Clariant Masterbatches aims to continue taking the lead by bringing the best in class solutions tailored to the dynamic Indian market, to support current mega trends. Packaging - Production is expected to recover quickly as the government is extending support for essential commodities. Textile - Discretionary spending is expected to remain muted, however essential commodities such as masks, non-woven uniforms, and exporters will take longer to recover. Consumer Goods & Auto - Demand for white goods and other high-end consumer durables & automotives will remain impaired as consumers are expected to postpone their purchases because of lower disposable income, and uncertainty over growth prospects. MSMEs are expected to experience severe liquidity problems due to delayed payments from their customers. The strain in the banking system is expected to increase the credit gap for MSMEs.

Company Profile and Performance

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

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

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

Financial and Operational Performance Review

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

The Company's operations reported sales for the year ended March 31, 2020 stood at ₹ 71,992 lakhs as against ₹ 67,747 lakhs for the previous year ended March 31, 2019. Of the total sales revenue for the year under review, 26% is contributed by exports. The Pigments business showed a growth of 6.8%; the Additives business degrew by 14.7%; while the Masterbatches business grew by 7.8%, due to the strategic shift in focus on differentiated product offerings viz. emphasis on specialized products, and not on commoditized products. This shift in strategic approach resulted in an operating profit growth of more than 200%.

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

Comparative Financial Performance of operations

Particulars	₹ in lakhs)	
	Year ended 31-03-2020	Year ended 31-03-2019
Sales	71,992	67,747
Operational Profit	1,679	1,189
Other income*	1,750	1,010
Profit before tax	3,429	2,199
Operational PBDIT before other income (% to sales net of excise duty)	7.8%	6.1%
ROCE (%)	7.8%	3.0%
Earnings Per Share (₹)	8.0	5.0
Cash earnings per share (₹)	24.27	17.78
Book value per share (₹)	282.2	267.1

* Other Income of previous year includes income of ₹ 100 lakhs from sale of residential apartment whereas current year includes income of ₹ 31.88 lakhs from sale of land and income of ₹ 114 lakhs from sale of office.

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

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Debtor Turnover ratio	20.55%	26.80%
Inventory Turnover ratio	17.50%	27.10%
Interest coverage ratio	10	36
Current ratio	2.51:1	1.92:1
Debt equity ratio	No borrowings	No borrowings
Operating Profit Margin (%)	2.30%	1.80%
Net Profit Margin (%)	7.00%	2.70%

The Company remains a zero-debt Company with no long-term borrowings. The Company has sustained its performance in efficient management of working capital. The year-end ratio of inventory to sales of 17.5%, receivables to sales of 20.5% and the net working capital to sales of 19.2%. Net cash from operations during the year before the tax payments was ₹ 11,368.36 lakhs (previous year ₹ 4,028.51 lakhs).

Business segments and performance

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

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

Plastics and Coatings

This segment comprises of pigments, additives and masterbatches.

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

Clariant is a leading global provider of organic pigments, pigment preparations and dyes used in coating, paints, printing, plastics and other specialty applications. The Company's pigments make a difference to a host of products that touch everyday lives. Based on extensive experience and expertise in color, our pigments provide vibrant and safe colors to the world. The product portfolio meets the demands for key market segments that include automotive, industrial, decorative and architectural paints and coatings, plastic applications including films, fibers, detergent coloration, cosmetics, aluminum finishing, traditional and non-impact printing and electronic displays. We have a significant presence in paints, coatings, ink and plastic applications and have positioned ourselves as the preferred supplier to major players in the domestic market.

Pigments business contributes 91.9% to the total sales in the Plastics and Coatings segment and the ratio of the domestic to export sales is 65:35. During the year, the Pigment business has recorded sales of ₹ 74,469 lakhs, marking a growth of 5.5% on a like to like comparable period basis of 12 months.

Additives are performance chemicals, which are used to enhance the efficiency, safety, protection, durability and appearance of products such as plastics, coatings and printing inks.

The Company has sold its Additives business to Clariant India Limited, a Related Party, on a going concern basis effective from January 1, 2020. The Additives business of the Company has contributed sales of ₹ 2,262 lakhs till December 31, 2019, recording a growth of 7.2% over the same period in previous year.

Masterbatches are concentrated form of pigments and/or additives which are optimally dispersed at high concentration in a carrier material. They are added (mixed) at a pre-described let down ratio – typically 1% to 5% - to the plastic resin and processed to the final plastic part (injection molding, film, profile extrusion, fiber, etc.)

Clariant Masterbatches in India is a recognized leader in color and additive concentrates and performance solutions for plastics. Masterbatches bring life to plastics and plastics to life. Brand owners, product manufacturers, designers and plastics

processors rely on Clariant Masterbatches to help enhance the market appeal or the end-use performance of plastic products. We offer a diverse portfolio through unlimited choice of color, advanced-performance additive concentrates and custom formulations for range of various market segments such as Packaging, Consumer Goods, Fiber, Automotive, Electrical & Electronics, Pharma & Healthcare. The controlled specification of our masterbatches is an enabler for our customers to protect their brand identity through color consistency.

Clariant's comprehensive portfolio together with unparalleled in-house expertise and collaboration with other industry organizations, allows us to offer solutions in focused areas like recycling, sustainability and circular economy.

Our strategy is to focus on product portfolio transformation, fostering growth in global key accounts and specifiers with world class technology, innovation and sustainability as differentiator. Our focused priorities were Zero Accident initiative and Safety-First awareness building, Profitable sales growth, EBITDA improvement and cash generation.

The masterbatches business recorded sales of ₹30,390 lakhs during the year, posting a 5.3% increase over previous year with strong EBITDA improvement achieved through transformational strategy to enhance growth and profitability.

The Board of Directors, at their meeting held on December 19, 2019, and the Shareholders, vide their approval dated February 10, 2020 through Postal Ballot, approved the sale of Masterbatches Business to PolyOne Polymers India Private Limited or its affiliate in India, on a going concern basis by way of slump sale. The sale is expected to be completed by 2nd quarter of FY 2020-21, subject to regulatory statutory approvals.

The recent partnership with Polymateria allow us to offer unique biodegradation solutions for fugitive plastics (that are left over in recycling stream) through Biotransformation technology, wherein polymers are chemically transformed into a biomass, carbon-di-oxide and water.

Specialty Chemicals

The Specialty Chemicals segment includes products which have application in textile, paper, emulsion and leather industry. Post divestment of Textile, Paper and Emulsion (TPE) business and leather services business in the prior years, the Company has entered into supply agreements with Archroma India Pvt. Ltd. and Stahl India Pvt. Ltd., to manufacture and supply certain products which have application in TPE and leather industry respectively. The sales as part of supply agreements post divestment of these businesses for the period under review amounts to ₹6,530 lakhs and is included in this segment.

Internal Financial Control Systems

The Company has internal control systems commensurate with the size and nature of its business. Corporate policies, management information and reporting systems for key operational areas form part of overall control mechanisms. To supplement the internal control process, the Company has engaged the services of independent firms of professionals to function as auditors. Being authorized by the Audit Committee to assess the adequacy and compliance of internal control process, they provide their report which includes their observations and recommendations.

The annual internal audit plan is approved by the Company's Audit Committee and its coverage includes business operations as well as support function activities. The key audit results and recommended management actions are presented to the Audit Committee on a quarterly basis.

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

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

The internal financial controls and governance processes are duly reviewed for adequacy and effectiveness by an independent chartered accountant. Based on its evaluation, the Audit Committee has concluded that, as of March 31, 2020, the internal financial controls were adequate and operating effectively.

Human Resources

Every organization aspires to create and develop an engaged workforce. Last year at Clariant we created a unique engagement platform called **Enable | Engage | Empower**. The underlying philosophy of the platform was to build over the rich legacy of Clariant culture that leads common thinking and shared actions. The Engagement framework was conceptualized to create meaningful touchpoints for employees and Enable right tools, policies, training platforms, infrastructure, Engage with fun @ work, recreation, wellness and Empower through accountability & responsibility, autonomy, decision-making power & ownership.

What also made this this platform unique was the engagement committee comprised of representation from different Business

and Service Functions which facilitated exchange of ideas, instant feedback and making things relevant for our people. Overall the response to this has been positive and we shall continue to strengthen our engagement initiatives bonding with our people through engaging sessions.

We acknowledge that development of employee is very important for the sustainable growth of the Company. The Company has invested in Human Capital by way of training and development programs across the organization. Company has taken various steps to recognize the importance of work life balance of employees. We have cordial relationship with workers and unions at all sites. The total number of employees on the rolls of the Company, as on March 31, 2020 were 743 as against 780 on March 31, 2019.

Environment, Corporate Sustainability and Social Responsibility

Clariant in India commits itself to ethical and sustainable operations in all business activities according to the principles of Responsible Care® and Clariant Code of Conduct. Sustainability is one of the five strategic pillars of Clariant's business strategy and it helps us identify and provide value added solutions with outstanding economic, environmental and social performance. We believe sustainability is a pre-requisite to our growth and it creates value with innovative and sustainable solutions and upholds our license to operate in the long term. It is an integral part of the way we work, and this helps us to position ourselves in the market; build a competitive advantage through differentiation; support profitable growth; create added value for our stakeholders; build a brand image and reputation and also anticipate and mitigate risk. Most of our newly developed products coming from our innovation pipeline are a result of our focus on sustainability and enables us to stand out among the competitive portfolio in the marketplace.

As an ongoing effort, Clariant implements several initiatives to reduce environment, health and safety risks during production, storage, distribution and the disposal of waste. It also includes efficient use of energy and resources and continuous improvement of our processes to minimize the impact of our activities on the environment. As a member of Tfs (Together for Sustainability) initiative, we continue to drive audits and assessment of our suppliers and support them towards higher sustainable performance. As a founder member of Nicer Globe® initiative of Indian Chemical Council (ICC), we are actively involved with other member companies to help improve safe transportation of hazardous chemicals in India.

Our Corporate Social Responsibility continues to be an integral part of our corporate philosophy. In line with our Corporate Guideline and our CSR Policy, framed under Companies (Corporate Social Responsibility Policy) Rules, 2014, Clariant continues to contribute in the focus areas of Children's

education, Safety and healthcare and Community support to have a positive impact on the communities around its sites in India. The Company also readily contributed to the PM CARES and Chief Ministers' COVID-19 Relief Fund and is actively involved in supporting many welfare activities to mitigate the impact of the pandemic, around the community nearer to our sites.

Clariant listing in the Dow Jones Sustainability Index (DJSI)

Clariant has been successfully listed again in DJSI, the world-renowned sustainability index and is ranked among the top 5% of companies in its sector in both the DJSI Europe and the DJSI World. The Company places significant importance on reducing environment impact and carbon footprint and has set itself ambitious environment goals regarding quality and quantity to be reached by 2025. In terms of its sustainability strategy, Clariant is committed to international initiatives and partnerships within the chemical industry and broader stakeholder community engagement and incorporates the 10 principles of the UN Global Compact into its policies and procedures. Special emphasis is given to Product Stewardship so that our products can be used over their entire life cycle in a safe manner for employees, customers and all other stakeholders.

Outlook, Opportunities and Challenges

Outlook & Opportunities

- The Indian chemical industry is growing at almost twice the global average and is a global outperformer regarding total returns to shareholders. Further, India's large population base with lower per-capita consumption of chemicals and relatively strong GDP growth outlook (7-8% over the next few years) suggests untapped potential.
- Rising domestic demand in chemical end-use sectors, India's attractiveness as a manufacturing destination and its improved ease of doing business are some factors that suggest possibility of further growth in the chemical industry.
- Government initiatives like 'Make in India' and FDI are further anticipated to aid the growth of the market over the coming years.
- The Indian specialty chemicals industry continues to be benefited due to availability of technically skilled manpower and competitive labour costs.
- The Company also has an added advantage of product development capabilities, branding and distribution, in addition to having a parent Company with strong research capabilities, which can be applied in domestic products as well.

Challenges

- The raw materials which are required in the organic and inorganic chemical industry, which even spans the specialty chemical industry, are often inaccessible and unavailable in the market in the required quantities resulting in supply chain disruptions. The challenges are being addressed by evaluating availability of multiple alternate materials, new vendors with agility and securing supplies to the extent possible.
- Volatile change in oil and crude prices due to unfavorable macro-economic scenario may have a negative impact on the industry.
- Risk of global economic slowdown as a result of the pandemic and rising trade tensions may impact the chemicals sector as a whole.
- The cost of compliance and complex regulatory process also impact operations economically. The ability to scale up, offering differentiated products through innovations, implementing an effective sales and marketing strategy and maintaining high levels of regulatory standards will clearly separate winners from the crowds in this space.

Risks and its Mitigation

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

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

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

The Company continues its focus on compliance in all areas of its business operations by rationalizing and strengthening controls. This is also an important component of Clariant's Code of Conduct. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Clariant aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior. As part of continuing efforts to ensure that we maintain such exemplary standards and to provide employees with a good understanding Anti-Trust/Competition laws, Clariant has launched and imparted trainings on the aforesaid topics.

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

Cautionary Statement:

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

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

Mumbai, June 17, 2020

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

REPORT ON CORPORATE GOVERNANCE

Principles of Corporate Governance

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

1. Group Structure

Clariant AG, a global leader in the field of Specialty Chemicals and headquartered in Muttentz near Basel, is an ultimate Holding of the Company, which directly or indirectly owns group Companies/affiliates worldwide.

2. Board of Directors

2.1 Composition and Changes:

The Board has an optimum combination of Executive and Non-executive Directors, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has 7 Directors out of which 3 are Independent Directors, 3 are Non-Executive Directors and 1 in whole time employment, being the Vice-Chairman

and Managing Director. The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction.

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

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

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

The Board does not have any Nominee Director representing any institution

The composition and category of the Board of Directors for the year ended March 31, 2020, the number of other Directorships/Committee memberships held by them and also their attendance at the Board meetings of the Company are as under:

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies [#] as on March 31, 2020		
		Number of Board Meetings held during the tenure of the Director	Last AGM held on August 8, 2019		Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Kewal Handa DIN 00056826 Chairman	Non-Executive Independent	5	5	Attended	6	4	3
Mr. Adnan Ahmad DIN 00046742 Vice-Chairman & Managing Director	Executive	5	5	Attended	2	2	None
Mr. Sunirmal Talukdar DIN 00920608	Non-Executive Independent	5	5	Attended	6	2	3

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies# as on March 31, 2020		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on August 8, 2019	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	5	4	Attended	5	8	2
Mr. Alfred Muench DIN 03092351	Non-Executive	5	3	Attended	2	None	None
Mr. Karl Holger Dierssen ¹ DIN 06739356	Non-Executive	1	0	NA	None	None	None
Mr. Thomas Wenger DIN 08350960	Non-Executive	5	4	Attended	None	1	None
Mr. Sanjay Ghadge ² DIN 08455742	Non-Executive	3	3	Attended	None	None	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.

¹ Mr. Karl Holger Dierssen had resigned from the Directorship of the Company from the close of working hours of May 31, 2019.

² Appointed as the Director Finance & Chief Financial Officer of the Company w.e.f. August 8, 2019. Resigned as Chief Financial Officer of the Company w.e.f. January 1, 2020. He acts as Non-Executive Director of the Company effective from January 1, 2020.

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

Sr. No.	Name of the Director	Name of other listed entity(s)	Category of Directorship
1.	Mr. Kewal Handa (Chairman)	R M Drip & Sprinklers Systems Ltd Mukta Arts Ltd Greaves Cotton Ltd Union Bank of India Limited	Independent Director Independent Director Independent Director Non-Executive – Nominee Director - Chairman
2.	Mr. Adnan Ahmad (Vice-Chairman & Managing Director)	None	NA
3.	Dr. (Mrs.) Indu Shahani (Independent Director)	United Spirits Ltd Colgate-Palmolive (India) Ltd Bajaj Electricals Ltd	Independent Director Independent Director Independent Director
4.	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
5.	Mr. Alfred Muench (Non-Executive Director)	None	NA
6.	Mr. Thomas Wenger (Non-Executive Director)	None	NA
7.	Mr. Sanjay Ghadge (Non-Executive Director)	None	NA

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

The Board of Company comprises of qualified individuals who bring the required skills, competencies, expertise and diversity to the Board that allows them to contribute efficiently. The Board and Committees thereof, are committed to ensure that Company is compliant with the highest standard of Corporate Governance. The Board has identified 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 Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting of the Company forms part of the Notice of Annual General Meeting.

2.5 Board Meetings and Agenda:

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

In accordance with the law and the Articles of Association of the Company, the Board of Directors is the ultimate decision-making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete

and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review, among other things, quarterly performance of the Company and Financial results. During the year under review, the Board of Directors held 5 meetings on May 16, 2019, August 8, 2019, November 6, 2019, December 19, 2019 and February 14, 2020.

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

2.6 Familiarization Programme:

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

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

2.7 Independent Directors' Meeting:

In accordance with the provisions of Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on March 13, 2020 and attended by all the Independent Directors of the Company. The Independent Directors, inter alia, reviewed the following;

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

2.8 Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements)

Regulation, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board/Committee Governance. The Board have reviewed the performance of the individual Directors and the Chairperson.

The performance evaluation of the Directors was done based on criteria which included leadership qualities, contribution in strategic planning, balanced decision making, safeguard of confidential information, adherence to code of conduct, transparency, attendance, etc. In a separate meeting of Independent Directors, performance evaluation of Non-Independent Directors and the Board as a whole was evaluated. The performance evaluation of Independent Directors was done by the entire Board except for the Independent Director subjected to evaluation at the Board Meeting held on February 14, 2020.

3. Board Committees

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

3.1 Audit Committee

3.1.1 Composition and Meetings:

The composition of the Audit Committee is in conformity with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the year under review, five meetings were held on May 16, 2019, August 8, 2019, November 6, 2019, December 19, 2019 and February 14, 2020. 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	5
Mr. Thomas Wenger	Member	5	4

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. Sunirmal Talukdar, Chairman of the Committee was present at the Annual General Meeting held on August 8, 2019.

The Vice-Chairman & 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:

- 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;
- Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
- Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions;
- 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;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval and subsequent modification of transactions of the Company with related parties;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;
- Review the appointment, removal and terms of remuneration of Internal Auditors;
- Review with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
- 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;
- Review of reports of Statutory and Internal Auditors and replies of the management thereon;
- 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;
- 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;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- Reviewing compliances as regards the Company's Whistle Blower Policy;
- Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate;
- Carrying out any other function as may be referred by the Board, from time to time;
- 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 Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the year under review, three meetings were held on May 16, 2019, August 8, 2019 and February 14, 2020.

The details of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairman	3	3
Mr. Kewal Handa	Member	3	3
Mr. Alfred Muench	Member	3	3

Ms. Ameer Joshi acts as Secretary to the Committee.

3.2.2 Terms of reference:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors, other Directors and Key Managerial Personnel;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Identifying persons who are qualified to become Key Managerial Personnel (KMP) in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Identifying persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend to the Board on Remuneration payable to the Whole Time Directors, Key Managerial Personnel and Senior Executives.

3.2.3 Remuneration Policy:

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

The Nomination & Remuneration Policy is available on the website of the Company at www.clariant.com

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, 2020 is given as under:

Name of Director	Sitting fees ¹	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Com-mission	₹ in Lakhs	
				Total	No. of shares held as on March 31, 2020
Mr. Kewal Handa	9.95	-	10	19.95	Nil
Mr. Sunirmal Talukdar	11.60	-	8	19.60	Nil
Dr. (Mrs.) Indu Shahani	9.65	-	6	15.65	Nil
Mr. Adnan Ahmad ²	Nil	471.23	-	471.23	Nil
Mr. Sanjay Ghadge ³	Nil	289.67	-	289.67	Nil

¹ Exclusive of service tax.

² Mr. Adnan Ahmad has been re-appointed as Vice-Chairman & Managing Director of the Company w.e.f April 3, 2020 till April 2, 2023. The appointment of Mr. Adnan Ahmad may be terminated by giving not less than three months' notice to other party.

³ Appointed as the Director Finance & Chief Financial Officer of the Company w.e.f. August 8, 2019. Resigned as Chief Financial Officer of the Company w.e.f. January 1, 2020. He acts as Non-Executive Director of the Company effective from January 1, 2020.

Other than this, none of the Non-Executive Directors have any other pecuniary interest in the Company.

The Company has not framed any scheme/plan to grant stock option to its employees. However, few of the employees under senior management level including Vice-

Chairman and Managing Director have right to participate in Clariant Stock Option Plan introduced by the Ultimate Holding Company, Clariant AG.

3.3. Stakeholders' Relationship Committee

3.3.1 Composition and Meetings:

During the year under review, four meetings were held on May 16, 2019, August 8, 2019, November 6, 2019, and February 14, 2020. The composition and details of the meetings attended by the members are given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	4	4
Mr. Adnan Ahmad	Member	4	4
Mr. Sunirmal Talukdar	Member	4	4

Ms. Ameer Joshi acts as Secretary to the Committee.

3.3.2 Terms of reference:

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

- 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.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 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) Regulation, 2015.

Pursuant to Regulation 13 of 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, 2020. Detail of Investors' Complaint received and resolved during the year ended March 31, 2020 is given below;

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Annual Reports	2	2
Non-receipt of Declared Dividend	3	3
Non-receipt of Share Certificates	1	1
IEPF Claim	1	1
Total	7	7

3.4 Corporate Social Responsibility (CSR) Committee

3.4.1 Composition & Meetings:

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

During the year under review, one meeting was held on May 16, 2019. The composition and details of the meeting attended by the members are given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	1	1
Mr. Adnan Ahmad	Member	1	1
Mr. Karl Holger Dierssen*	Member	1	0
Mr. Kewal Handa	Member	1	1

* Resigned from the Directorship of the Company from the close of working hours of May 31, 2019

3.4.2 Terms of reference:

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

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

4. Subsidiary Company

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

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
60 th	August 11, 2017 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	Approval of appointment and remuneration payable to Mr. Adnan Ahmad, Vice-chairman and Managing Director for a period of three years w.e.f April 3, 2017.
61 st	August 9, 2018 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	None
62 nd	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.

During the year under review, the members have passed three Special Resolutions through Postal Ballot in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 details of which are as below:

- Approval for appointment of and remuneration payable to Mr. Sanjay Ghadge as Director Finance & Chief Financial Officer for a period of three years w.e.f August 8, 2019. The Board of Directors had appointed Bhadresh Shah & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process. The result of the postal ballot process as per the scrutinizer report is given below:

Category	No. of shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	11772050	11772050	100.0000	11772050	0	100.0000	0.0000
Public Institutions	865192	175382	20.2709	175382	0	100.0000	0.0000
Public Non Institutions	10444556	1432353	13.7139	1430923	1430	99.9002	0.0998
Total	23081798	13379785	57.9668	13378355	1430	99.9893	0.0107

- Approval of members for sale of the Masterbatch Business of the Company to PolyOne Polymers India Private Limited or its affiliate in India as a 'going concern' on a slump sale basis under Section 2 (42C) of the Income Tax Act, 1961. The Board of Directors had appointed Bhadresh Shah & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process. The result of the postal ballot process as per the scrutinizer report is given below:

Category	No. of shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	11772050	11772050	100.0000	11772050	0	100.0000	0.0000
Public Institutions	1325346	37948	2.8633	37948	0	100.0000	0.0000
Public Non Institutions	9984402	832231	8.3353	831993	238	99.9714	0.0286
Total	23081798	12642229	54.7714	12641991	238	99.9981	0.0019

- Approval of members for re-appointment of and remuneration payable to Mr. Adnan Ahmad, as Vice-Chairman and Managing Director of the Company for a period of three years with effect from April 3, 2020. The Board of Directors had appointed Bhadresh Shah & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process. The result of the postal ballot process as per the scrutinizer report is given below:

Category	No. of shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	11772050	11772050	100.0000	11772050	0	100.0000	0.0000
Public Institutions	1523818	836660	54.9055	836660	0	100.0000	0.0000
Public Non Institutions	9785930	611774	6.2516	606119	5655	99.0756	0.9244
Total	23081798	13220484	57.2767	13214829	5655	99.9572	0.0428

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

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 20, 2020.

6. Disclosures**6.1 Related party transactions:**

Related party transactions have been disclosed under Note 41 of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with 'Indian Accounting Standard 24' and pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) 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 Clariant operating worldwide. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

6.2 Code of Conduct:

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

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

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

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., www.clariant.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended March 31, 2020.

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, 2020 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. Clariant mitigates/hedges the said risks by its sustainable strategy consisting of structured approach to reduce cost and controls price fluctuation by quarterly price contracts, volume bundling and deployment of new vendors.

7. Means of Communication

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

8. General Shareholder Information

8.1 Annual General Meeting:

Day, Date & Time : Thursday, August 20, 2020 at 04.00 p.m.

Mode : The 63rd 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 2020-21

1 st Quarter Results	On or before August 14, 2020
2 nd Quarter Results	On or before November 14, 2020
3 rd Quarter Results	On or before February 14, 2021
Annual Results	On or before May 30, 2021
Annual General Meeting	In the month of August 2021

8.3 Dates of Book Closure:

Book Closure dates August 19, 2020 to August 20, 2020 (Both days inclusive)

8.4 Listing of Shares:

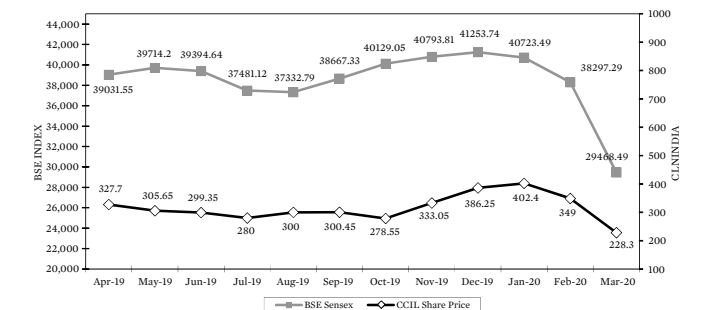
Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID '506390' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2021 to both the Stock Exchanges.

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.)
2019-20						
April 19	369.00	327.00	37939	370.00	326.05	281429
May 19	330.00	292.25	90634	333.90	293.05	513494
June 19	312.80	293.05	364154	313.00	292.05	613501
July 19	314.00	276.25	64680	314.00	277.00	225077
August 19	317.30	265.10	63181	318.80	264.00	546041
September 19	320.95	293.45	57697	319.85	294.20	335524
October 19	299.80	265.10	125533	302.00	270.00	325637
November 19	344.15	276.20	219071	344.15	275.55	1545070
December 19	404.00	305.90	169655	405.85	306.00	1558984
January 20	422.70	373.25	123817	423.50	373.25	1101530
February 20	478.15	325.00	257382	477.90	323.20	2377100
March 20	362.95	192.00	162048	364.00	183.25	1154804

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
Contact Person: Miss Shruthi Shetty
E-mail ID for Investor Services:
investor.relations_India@clariant.com

B) Company's Registered Office:

Reliable Tech Park, Gut No. 31, Village Elthan,
Off Thane-Belapur Road, Airoli, Navi Mumbai- 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, 2020:

Sr. No.	Category	No of Shares held	Percentage of Shareholding
A	Promoters' Holding		
	Foreign Promoters		
(a)	Clariant Plastics & Coatings Limited	7662624	33.20
(b)	EBITO Chemiebetteilungen AG	4109426	17.80
	Sub-Total	11772050	51.00
B	Institutional Investors		
(a)	Mutual Funds /Alternate Investment Funds	16799	0.07
(b)	Financial Institutions/ Banks	333279	1.44
(c)	Insurance Companies	770624	3.34
(d)	Foreign Portfolio Investors(Corporate)	52897	0.23
(e)	Foreign Institutional Investors	0	0.00
	Sub-Total	1173599	5.08
C	Others		
(a)	Domestic Companies	662207	2.87
(b)	Non Resident Indians/Trusts	539748	2.34

Sr. No.	Category	No of Shares held	Percentage of Shareholding
(c)	Indian Public	8808834	38.16
(d)	Foreign Nationals	225	0.00
(e)	Government Companies	0	0.00
(f)	Investor Education And Protection Fund	108988	0.47
(g)	NBFCs Registered with RBI	16147	0.07
	Sub-Total	10136149	43.91
D	Total Public Shareholding (B+C)	11309748	49.00
	TOTAL (A+D)	23081798	100.00

22,692,164 equity shares of the Company are held in dematerialized form constituting 98.31% of the paid up capital as on March 31, 2020. The total number of shareholders as on March 31, 2020 is 39,571*.

* 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-2020		As at 31-March-2019	
		No. of shares	%	No. of shares	%
1	Clariant Plastics and Coatings Ltd	7662624	33.20	7662624	33.20
2	EBITO Chemiebetteilungen AG	4109426	17.80	4109426	17.80
3	Bajaj Allianz Life Insurance Company Ltd.	770624	3.34	575503	2.49

8.11 Distribution of shareholdings as at March 31, 2020:

No. of equity shares held	Shareholders		Equity Shares held	
	Numbers	%	No. of shares	%
1 - 500	36259	91.63	3458008	14.98
501 - 1000	1893	4.78	1426428	6.18
1001 - 2000	795	2.01	1151677	4.99
2001 - 3000	245	0.62	606375	2.63
3001 - 4000	114	0.29	404458	1.75
4001 - 5000	88	0.22	404143	1.75
5001 - 10000	112	0.28	793820	3.44
10001 & above	65	0.17	14836889	64.28
Total	*39571	100.00	23081798	100.00

*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
- WA - 6, Renaissance Industrial & Warehousing Park, Kalyan - Padgha Road, Village Vashere, Post Amne, Taluka Bhiwandi, District Thane - 421 302 Maharashtra
- Shed Nos. 18, 19, 20, 21, 22, GIDC Kalol, District Panchmahal, Vadodara - 389 330 Gujarat
- Survey No. 344/1-2-3, Sakarda - Bhadarva Road, Village Rania, Taluka Savli, Vadodara - 391 780 Gujarat
- Plot/Phase No. 378/2/2, Durgapura Colony Road, Birlagram, Nagda - 456 331 Madhya Pradesh
- Kudikadu, SIPCOT Post, Cuddalore - 607 005 Tamil Nadu

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 2019-20, as below:

₹ In lakhs	
Nature of Engagement	FY 2019 - 20
As auditors	19.58
For other services	19.95
For reimbursement of expenses	2.94
Total	42.47

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 2019-20. 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 have transferred 1,08,988 shares to IEPF Suspense Account as on March 31, 2020. The Company has uploaded the details of such shareholders on its website www.clariant.com.

Members are hereby informed that the 7 years period pertaining to Interim Dividend for Financial year 2013 will expire on September 4, 2020 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.

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

Financial Year/ period	Date of Declaration	Date of completion of seven years
2013 (Interim)	30.07.2013	04.09.2020
2013 (Final)	06.05.2014	11.06.2021
2014 (Interim)	18.07.2014	23.08.2021
2015 (Interim)	12.01.2015	17.02.2022
2015-16(Final)	12.08.2016	18.09.2023
2016-17 (Final)	11.08.2017	16.09.2024
2017-18 (Final)	09.08.2018	14.09.2025
2018-19 (Interim)	01.11.2018	07.12.2025
2018-19 (Final)	08.08.2019	13.09.2026

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	346 shareholders 41766 shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	05 Shareholders
Number of unclaimed shares were transferred during the year	177 shares
Number of shareholders involved in IEPF4	26 shareholders
Number of shares involved in IEPF4	1531 shares
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	315 shareholders 40058 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.

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, 2020 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

Mr. Adnan Ahmad, Vice-Chairman & Managing Director, has 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 June 17, 2020. They have also provided quarterly certificates on Financial results while placing the Financial results before the Board.

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

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

Mumbai, June 17, 2020

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Clariant Chemicals (India) Limited

We have examined the compliance of conditions of Corporate Governance by Clariant Chemicals (India) Limited, for the year ended March 31, 2020 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as 'SEBI Listing Regulations, 2015').

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

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

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

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

Arvind Daga
Partner

Membership Number: 108290
UDIN: 20108290AAAAAQ3324

Place: Mumbai
Date: June 17, 2020

CERTIFICATE FROM PRACTISING COMPANY SECRETARY

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

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

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

SN	DIN	Name of the Director
1	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

For J. R. Ahuja & Co.

Jagdish Ahuja
Proprietor
UDIN: F009079B000320390

Place : Mumbai
Date : June 5, 2020

BUSINESS RESPONSIBILITY REPORT

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

OVERVIEW

Clariant strives for innovations in the sustainability field by finding new solutions based on renewable resources and developing more environmentally friendly substitutes. At Clariant, 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
- E-mail id: investor.relations_india@clariant.com
- Financial Year reported: Financial Year ended on March 31, 2020
- 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	63%
2.	Colours, Dyes and Pigments	20224	20%

- 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: 11

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

(b) Number of National Locations: 11

- 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):** ₹ 75727.85 Lakhs
- Total profit after taxes (INR):** ₹ 5,070.51 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax :** ₹ 52.25 Lakhs (1.03%)
- List of activities in which expenditure in 4 above has been incurred:-**
 - Education
 - Safety and Health
 - Community welfare/women empowerment

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:

Under the 'Alliance to end plastic waste', a global initiative, chemical companies joined together for a beach cleaning initiative in Mumbai where Clariant employees participated and supported. This is the one of its kind initiatives to create awareness among the public on the importance of reduce, reuse and recycle plastic waste.

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**

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

No.	Particulars	Details
1.	DIN Number	00046742
2.	Name	Mr. Adnan Ahmad
3.	Designation	Vice - Chairman and Managing Director

(b) Details of the BR head:

No.	Particulars	Details
1.	DIN Number (if applicable)	Not applicable
2.	Name	Mr. Puthige Murali
3.	Designation	Head of Regional Sustainability & Regulatory Affairs (RSRA), India
4.	Telephone number	022-71251000
5.	e-mail id	Puthige.Murali@clariant.com

- 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

(a) Details of compliance (Reply in Y/N)

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 Conduct which covers most of the principles. The code of conduct 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 in Switzerland. 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.								
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 leadership team. Company has put in place internal framework/Committees to monitor the implementation of policies.								
6.	Indicate the link for the policy to be viewed online?	The Code of Conduct 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 : www.clariant.com .								

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 https://www.clariant.com/en/Investors/Investor-Relations-India/Policies								
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 Integrity line to facilitate reporting of any non-compliance or violation of the Company's Code of Conduct. The Company also has a Stakeholders' Relationship Committee to redress grievances of investors. 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? Refer Note No. 1	The Company's policies/guidelines and procedures are audited by the Company's Internal as well as the Clariant 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 Vice Chairman & Managing Director of the Company assesses the BR performance of the Company annually.

The Company previously had not published any Business Responsibility Report or Sustainability Report. However, Clariant AG, our Ultimate Holding Company, publishes Integrated Report every year, which can be accessed on the website of the Company: www.clariant.com.

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 Clariant is 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 7 (seven) investor complaints and all of them have been resolved during the year.

Principle 2

Specific products manufactured by the Company:

- Low volatile organics content series
- 'Permanent' Pigments series
- Biocides series

i) Low volatile organics content series –

The Company manufactures range of products which are:

- Free from Alkyl Phenol Ethoxylates which have hormone disruptive properties and are also toxic to aquatic organisms.
- With negligible (below specified limits) toxic heavy metals and free from hazardous compounds, manufactured in-house with special technology.
- With low volatile organic compounds which have long term health hazards to the users (painters & residents) when exposed during handling and applied on the walls. There is no smell of hazardous organic vapors emitted, thus ensuring human safety.

This product range has helped us to create an awareness in the society for usage of non-toxic & health safe paint. This has also created an opportunity for other paint manufacturers in unorganized sectors to use these products.

ii) 'Permanent' Pigments series

'Permanent' is a brand name of one of the series of pigments manufactured by the Company. With our regular ongoing activities on environment protection and energy conservation we have optimized drying system to reduce time cycle and saving in electrical energy and steam in the drying process. This resulted in substantial reduction in the electrical energy & steam with improvement in the production efficiency along with products softness and dispersibility. This has helped us in saving of ~27% of electrical energy for this product range.

With this softer and easy to disperse product quality, our customers also benefitted with the reduction in grinding time to produce inks, thereby electrical energy is saved at customer's end.

iii) Biocide Series

Biocides Product range is majorly consumed by Paint industries. Paint added with biocides has an advantage to restrict the growth of Algae or Fungus on the parts where such paint is applied. Biocide also helps to suppress the fouling smell coming out of the paints.

Being toxic to aquatic organisms, it was not feasible to treat biocide in the regular effluent plant. To protect the environment by avoiding the mixing of biocide effluent in the regular effluent, we have isolated the biocide manufacturing area from rest of the production facility and biocide effluent is treated independently by using multiple effect evaporator.

Sustainable sourcing (including transportation)

Company's sustainability standards are incorporated into its procurement strategies and activities, policies, and general guidelines, such as Supplier Code of Conduct and sustainability assessment in supply chain. Clariant monitors supplier sustainability performance by joining Together for Sustainability (TfS) & ECOVADIS platform, contributes and shares supplier assessment results with all TfS members. In 2019 Clariant sustainability assessment coverage was over 78% of raw material spend.

Company follows Corporate Guideline on 'Transportation safety', to ensure prevention of accidents during transportation of goods, which may have harmful effects to human life and health, environment, property and the Company image.

Company is a founder member of Nicer Globe program, an initiative by Indian Chemical Council for safe transportation of chemicals. Collaborating with Nicer Globe has helped in real time monitoring of vehicle movement carrying our products and manage any transport emergency en-route.

Promotion of small business concerns operating in the surrounding community:

Company has been working closely with the local vendors to ensure that products and services are sourced locally. We work proactively for import substitution. Joint projects are done with vendors to develop products locally. For services, all the contracts are done locally. Company also works closely with many MSME vendors for different products and services and supporting them to compete in the global market.

Mechanism to recycle products and waste

There is an ongoing process to look at the opportunities for reduce, reuse & recycle the treated waste water. Projects are identified at the sites and are monitored through Clariant excellence project tracking tool. There is also a special focus to improve process efficiency through a program called YEE (Yield, Energy and Environment) which is also contributing to the overall reduction of environment impact.

Processed waste water is treated at the site through state of art waste water treatment plant. Treated waste water is reused for various purpose at the site e.g. floor washing, drums cleaning, gardening etc. Solid waste generated from waste water treatment plant is sent to cement industry as a co-fuel. Some of the waste streams which were earlier treated at the waste water treatment plant are now separated as byproduct and are supplied to users like textile industries. Few of the Clariant sites in India have Zero Liquid Discharge facility with which 100% waste water 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.

Clariant Cuddalore site has also implemented Rain Water Harvesting facility to use rain water and reduce the raw water consumption at the site.

Principle 3

There are 743 Employees on Roll of the Company as on March 31, 2020 and 565 Employees are on contractual basis.

- Permanent women employees: 25
- Permanent employees with disabilities: None

There are various Employee Associations recognized by management. Around 53% 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. However, one instance of Sexual Harassment was received by the Company, which was investigated and stands addressed by the Internal Complaints Committee.

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

The Company works in an organized way with both internal and external stakeholders and have engaged with its investors, customers, business partners, distributors, supply chain, suppliers, employees among others in the form of Sustainability Dialogue workshops carried out at periodic intervals. The external stakeholders are mapped through defined activities such as customer events and reaches out to them on a regular basis through press releases, participation in conferences, publishing technical papers and Annual General Meetings.

The Company also participates in events organized by trade associations and contributes by providing inputs whenever required.

For the internal stakeholders there are various interactive programs, fun events, townhall meetings conducted to keep them engaged and motivated.

Clariant identifies marginalized and disadvantaged groups through need assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. We have identified three focus areas – Education, Safety & Health and Women Empowerment.

Over the years, Clariant has been supporting communities around our Sites. According to three identified focus areas, we have been supporting ZP schools by providing desktop computers, sanitation facilities, drinking water arrangements, laboratory facilities, conducting sessions on science and chemistry, safety health & hygiene awareness, organizing industrial visits, arrange tailoring classes & distributed sewing machines to the women from the communities.

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 Clariant is engaged in business activities. Before onboarding any employee or engaging any third-party service provider they are informed of Clariant's 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

'Add Value with Sustainability' is a strategic pillar of Clariant's business strategy and is a strong driver of our profitable growth strategy. 'Sustainability@Clariant' is becoming more and more an integral part of the way the Company works. Clariant has implemented a robust environmental management system ISO 14001:2015 with clear guidelines developed and maintained by Corporate Environment, Safety & Health Affairs (ESHA).

Corporate ESHA collects and consolidates the annual ESH (Environment, Safety & Health) key figures from all the sites to systematically track Clariant's environmental performance. In addition, a Target 2025 performance monitoring group is set up to monitor the progress of the achievement of the environmental targets.

There is a continuous focus to reduce the consumption of hazardous chemicals and replacing with sustainable raw materials. Internal knowledge exchange and training on environmental issues is also carried out to promote environmental awareness at all levels within the Company. World environment day is celebrated rigorously at all sites on 5th June with many environment awareness activities.

Clariant in India was awarded by DMAI (Dye Stuff Manufacturer's Association India) in 2018-19 for:

- First Award for excellent performance in Energy Conservation by a Large Scale Unit
- Award for excellent performance in Water Conservation by a Large Scale Unit

Initiatives to address Global Environmental Issues

In the light of the growing focus and expectations from external stakeholders (authorities, customers, investors, NGOs), both at global and national level, it has become essential for our Company to develop a holistic climate strategy to: measure the impact of climate-specific risks, deploy mitigation measures, reduce emissions in operations, investigate cleaner energy sources, foster collaboration opportunities in the value chain, anticipate regulatory developments worldwide.

Clariant has 2025 targets to reduce the direct CO2 emissions by 30% and GHG emissions by 35% per ton produced in relation to 2013, and has adopted implementing tools such as Operational Excellence and eWatch. Clariant also actively contributes to the fight against climate change through its innovative and sustainable products offering across all of its business areas. The Portfolio Value Program – a Clariant key initiative to make sustainability an integral part of our product portfolio and the innovation pipeline – features climate change criteria. Our EcoTain® label takes into account current and future societal trends, and EcoTain® now plays a significant role in helping Clariant become better as a Company by driving the corporate sustainability strategy.

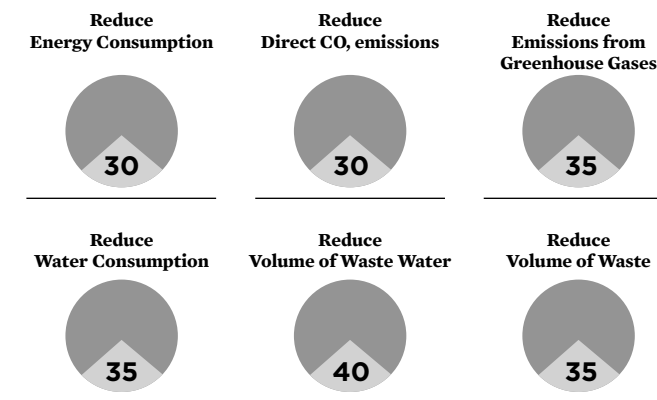
Clariant sites in India are taking various measures to reduce the CO2 emissions and GHG emissions e.g. Use of Agro-mass briquettes for boiler operation in place of coal, tree plantation at site as well off-site as CSR activity, bio diesel in place of furnace oil and other energy saving measures etc.

Clariant has globally set environment targets 2025 to reduce energy consumption, water consumption, waste generation, CO2 emission, GHG emission and waste water generation. These targets are cascaded down to site level and is made part of their operational targets monitored periodically.

Individual site locally conducts environment aspect impact assessment and necessary measures are implemented to control major aspects. All Clariant sites in India strictly comply to state pollution control board requirements.

Apart from this, corporate ESHA undertakes annual water risk assessments to identify sites located in water risk regions around the world. Through collaborative and innovative initiatives, Clariant strives to develop efficient water use solutions that work in industrial settings across the globe.

ENVIRONMENTAL TARGETS by 2025 in %



By 2025, Clariant wishes to achieve significant improvement in six major environment parameters including energy conservation compared to the base year 2013. The same is reflected in our Sustainability Policy and is also in line with our objectives identified under Responsible Care Charter.

Clariant considers energy efficiency as a vital part of its overall performance strategy and hence energy efficiency is an important parameter monitored at every site on a regular basis. Every site sets annual ESH objectives with clear target on reduction of energy consumption over past years. We have global programs in place such as e-WATCH, Clariant Operational Excellence, Clariant Production System – YEE (Yield, Energy and Environment) etc.

eWATCH identifies savings potential through detailed analysis of energy consumption across operations and oversees all forms and usages of energy at Clariant – electricity, heating and cooling, steam, natural gas, nitrogen, and the production of deionized water. By implementing this global program, many improvement projects are 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 on lighting equipment
- Use of Turbo Ventilators for extraction of heat from the building
- Increased usage of energy efficient equipment

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

1. 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.

Principle 8

Clariant considers sustainability as its economic, environmental and social responsibility. We strive to nurture sustainable local development and add value to the local economy in which we operate. The CSR Policy of Clariant in India has been framed adhering to the Corporate Citizen Activities (CCA) guidelines of Clariant global and in accordance with Section 135 of the Companies Act.

The Company has identified and implemented many activities under the focus areas of Education, Safety and Health Care, Community support with special emphasis on women empowerment around our sites. Some of the community support activities include desilting of pond, laying of drinking water line to the village closer to one of our sites.

Programs are generally implemented in-house. The Company has a CSR committee at each site who is responsible to identify the activities as per focused areas. Once the project is approved, respective site CSR team along with employees executes the activities and prepares the detailed report which is shared to country CSR department.

Impact assessment of initiatives

Most of the Company's CSR initiatives are long term activities. The Company conducts need assessment studies before initiating the projects. The outcome and the impact of each project is monitored and measured by the Company at regular intervals.

The Company has spent around INR 52 lacs on community development projects including repairs and building classrooms, giving laboratory apparatus and helping build laboratories. The local community has been supported by giving the water pipeline for clean drinking water near our Site. During the floods last year, the employees and the Company contribution has helped in flood relief.

The details of the activities undertaken by the Company are given in the 'Annexure – C' of the Directors' Report forming part of the Annual Report for Financial year 2019-20.

Among the CSR activities identified around the Sites, this year the major focus was to inculcate interest for science and chemistry among the children in the local ZP schools. Accordingly, in collaboration with an NGO, pilot sessions were organized with hands on easy to do trial experiments which helped to create curiosity among the children. Seeing the enthusiasm among the children and the request from

both children and the teachers to revisit, our CSR Committee members got involved the employees working in Quality Control and revisited with new experiments. The same was well received at the schools. So far approx. 450 children have experienced these sessions in the year 2019-2020. Going ahead, we intend to extend this activity across all Sites. Another activity in the similar lines was collaborating with the local college to hold the Science /Chemistry exhibition across the ZP schools and nearby junior colleges in the taluka. The best 3 project exhibitors were suitably awarded by the Company.

On the outbreak of the Coronavirus pandemic, our Sites reached out and supported the local communities around their sites by way of regular supply of Sanitizers, masks, spray pumps, spraying of disinfectants in & around the nearby villages and supply of food grains.

Principle 9

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

Clariant 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 & 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

Kewal Handa
Chairman
DIN (00056826)

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

Mumbai, June 17, 2020

INDEPENDENT AUDITOR'S REPORT**To the Members of Clariant Chemicals (India) Limited
Report on the audit of the financial statements****Opinion**

- We have audited the accompanying financial statements of Clariant Chemicals (India) Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of contingencies and provision for Income tax and Indirect tax matters</p> <p>The Company has various ongoing Income tax and Indirect tax matters under litigation. Given below are the relevant notes to the Financial Statements:</p> <p>Note 34 – Contingent liabilities and commitments</p> <p>Note 5 – Indirect taxes recoverable includes INR 182.25 lakhs towards amount paid under protest for on-going litigations.</p> <p>Note 21 – Provision for Indirect tax matters.</p> <p>The non-current tax assets (net) includes INR 1445.37 lakhs towards amount paid under protest for on-going Direct tax litigations.</p> <p>The assessment of likely outcome of the tax matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law.</p> <p>We have considered these matters to be a key audit matter given the magnitude of potential outflow of economic resources and uncertainty of the possible outcome.</p>	<p>Our procedures included the following:</p> <p>(i) Understanding and evaluating the design and testing of operating effectiveness of controls in respect of assessment of income tax and indirect tax matters.</p> <p>(ii) Reading the orders received by the Company from the tax authorities.</p> <p>(iii) Discussing ongoing matters under dispute and developments with the Management and the Audit Committee.</p> <p>(iv) Where relevant, reading opinions of Management's external consultants on the tax matters.</p> <p>(v) Independently assessing the management's judgement on contingencies and provision of income tax and indirect tax matters.</p> <p>(vi) Involving auditor's tax experts to assist us in the assessment of the possible outcome of certain cases.</p> <p>(vii) Assessing the adequacy of disclosures in the financial statements.</p> <p>Based on the above procedures, the management's assessment of the contingencies and provisions was considered to be appropriate.</p>

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

Emphasis of Matter

- We draw your attention to the Note 44 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

6. 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

7. 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process. Auditor's responsibilities for the audit of the financial statements

Auditor's responsibilities for the audit of the financial statements

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the back up of books of accounts and other books and papers maintained in electronic mode has not been maintained over servers physically located in India.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 15 (b) above.
- (g) 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 A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements.
- ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Arvind Daga
Partner

Place: Mumbai
Date: June 17, 2020

Membership Number: 108290
UDIN: 20108290AAAAA08118

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the financial statements for the year ended March 31, 2020.

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

1. We have audited the internal financial controls with reference to financial statements of Clariant Chemicals (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections

of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also, refer paragraph 4 of the main audit report.

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

Arvind Daga
Partner

Place: Mumbai
Date: June 17, 2020

Membership Number: 108290
UDIN: 20108290AAAAAO8118

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

said Order are not applicable to the Company.

- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 39 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Name of the statute	Nature of dues	Amount (₹ in lakhs)#	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax and Local Sales Tax Acts	Sales Tax and value added tax liability including interest and penalty, as applicable	2.27	1996-97 to 1998-99	High Court of Tamil Nadu
		146.14	2004-05, 2008-09 to 2009-10	Sales Tax Appellate Tribunals of Maharashtra
		205.88	1992-93, 1998-99, 2002-03 to 2003-04, 2006-07, 2012-13 to 2016-17	Appellate Authority - up to Commissioner's level

Name of the statute	Nature of dues	Amount (₹ in lakhs)#	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	73.74	2000-01 to 2006-07	Tribunals of various states
		281.44	1994-95 to 1997-98	Appellate Authority - up to Commissioner's level
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	1.64	2006-07 to 2009-10	Tribunals of various states
		0.75	1996-97, 2002-03 to 2004-05	Appellate Authority - up to Commissioner's level
Income Tax Act, 1961	Income Tax including interest and penalty, as applicable	1772.22	1982-83 to 1986-87, 1989-90, 1991-92, 1993-94, 1995-96, 1997-98 to 2001-02, 2011-12	Income Tax Appellate Tribunal
		679.44	2001-02 to 2002-03, 2013-14, 2015-16	Appellate Authority - up to Commissioner's level

net of amounts paid under protest.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also, refer paragraph 16 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Arvind Daga
Partner

Place: Mumbai
Date: June 17, 2020

Membership Number: 108290
UDIN: 20108290AAAAA08118

BALANCE SHEET as at March 31, 2020

	Notes	31-03-2020	(₹ in Lakhs) 31-03-2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	18,354.30	26,232.40
(b) Capital work-in-progress	3D	331.51	2,145.91
(c) Goodwill	3B	894.11	4,023.65
(d) Other intangible assets	3C	-	658.15
(e) Right-of-use asset	22A & 35C	3,474.05	-
(f) Financial assets			
(i) Loans	4	800.80	970.74
(g) Other non-current assets	5	1,812.61	1,853.87
(h) Non-current tax assets (net)		5,439.30	5,985.27
Total Non-current assets		31,106.68	41,869.99
Current assets			
(a) Inventories	6	12,571.43	18,350.48
(b) Financial assets			
(i) Investments	7	8,129.16	1,207.35
(ii) Trade receivables	8	14,791.50	18,153.06
(iii) Cash and cash equivalents	9	2,588.34	2,813.51
(iv) Bank balances other than (iii) above	9	611.62	695.62
(v) Loans	10	11.19	52.81
(vi) Other financial assets	11	9.98	112.55
(c) Other current assets	12	5,085.53	6,196.46
		43,798.75	47,581.84
(d) Assets classified as held for sale	13 & 42	19,440.18	-
Total Current assets		63,238.93	47,581.84
TOTAL ASSETS		94,345.61	89,451.83
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	2,308.18	2,308.18
(b) Other equity	15	62,832.58	59,334.51
		65,140.76	61,642.69
Liabilities			
Non-current liabilities			
(a) Provisions	16	1,069.83	1,312.24
(b) Deferred tax liabilities (net)	17	524.84	1,515.22
(c) Financial liabilities			
(i) Lease liabilities	22C	2,391.95	-
Total Non-current liabilities		3,986.62	2,827.46
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		399.52	622.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,137.50	18,297.51
(ii) Lease liabilities	22B	826.12	-
(iii) Other financial liabilities	19	1,935.25	2,988.55
(b) Other current liabilities	20	450.53	286.06
(c) Provisions	21	897.56	1,234.81
(d) Current tax liabilities (net)		2,110.35	1,552.27
		19,756.83	24,981.68
(e) Liabilities directly associated with assets classified as held for sale	13 & 42	5,461.40	-
Total Current liabilities		25,218.23	24,981.68
TOTAL EQUITY AND LIABILITIES		94,345.61	89,451.83
Significant accounting policies	1		
Critical estimates and judgements	2		

The accompanying notes are an integral part of these financial statements

In terms of our report attached

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

Arvind Daga
Partner
Membership No. 108290

Mumbai, 17th June, 2020

For and on behalf of the Board,

K. Handa Chairman
DIN:00056826

Dr. I. Shahani Director
DIN:00112289

A. Agarwal Interim Chief Financial Officer

Mumbai, 17th June, 2020

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

A. Joshi Company Secretary
Membership No. A22502

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

	Notes	Year ended 31-03-2020	(₹ in Lakhs) Year ended 31-03-2019
REVENUE			
Revenue from operations	23	75,727.85	71,875.00
Other income	24	1,750.28	1,010.00
Total revenue		77,478.13	72,885.00
EXPENSES			
Cost of materials consumed	25	39,218.73	38,728.49
Purchase of stock-in-trade		6,925.68	8,013.99
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	967.19	(1,733.47)
Employee benefits expense	27	6,203.13	5,927.00
Finance costs	28	383.40	62.34
Depreciation and amortisation expense	29	3,924.45	2,916.00
Other expenses	30	16,426.51	16,771.52
TOTAL EXPENSES		74,049.09	70,685.87
Profit before tax from continuing operations		3,429.04	2,199.13
Income Tax expense			
Current tax		1,368.70	1,505.48
Deferred tax		(338.54)	(459.00)
Tax expense of prior years		543.33	-
		1,573.49	1,046.48
Net Profit for the year from continuing operations (after tax)		1,855.55	1,152.65
Profit from discontinued operations before tax		3,634.04	815.00
Tax expense of discontinued operations		419.08	112.00
Profit for the year from discontinued operations		3,214.96	703.00
Profit for the year from continuing and discontinued operations (after tax)		5,070.51	1,855.65
Other comprehensive Income / (Loss) from continuing operations (net of tax)			
(Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		(242.76)	2.51
(b) Income tax relating to Items that will not be reclassified to profit or loss		44.25	(0.72)
		(198.51)	1.79
Other comprehensive Income / (Loss) from discontinued operations (net of tax)			
(Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		(115.41)	0.99
(b) Income tax relating to Items that will not be reclassified to profit or loss		13.92	(0.50)
		(101.49)	(0.49)
Total comprehensive income for the year		4,770.51	1,857.93
Earnings per share (of ₹ 10 each)	36	8.03	5.00
Continuing operations			
Basic and diluted (₹)		8.03	5.00
Discontinued operations			
Basic and diluted (₹)		13.93	3.05
Continuing and discontinued operations			
Basic and diluted (₹)		21.96	8.05

The accompanying notes are an integral part of these financial statements

In terms of our report attached

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

Arvind Daga
Partner
Membership No. 108290

Mumbai, 17th June, 2020

For and on behalf of the Board,

K. Handa Chairman
DIN:00056826

Dr. I. Shahani Director
DIN:00112289

A. Agarwal Interim Chief Financial Officer

Mumbai, 17th June, 2020

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

A. Joshi Company Secretary
Membership No. A22502

STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Lakhs, unless otherwise stated)

Equity share capital and Other equity
For the year ended 31-03-2020

Particulars	Equity Share Capital	Reserves and Surplus					Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve	Deemed Contribution from Parent	Retained Earnings	
Balance as at 01-04-2019	2,308.18	730.11	495.39	10,492.29	237.34	47,379.38	59,334.51
Profit for the year	-	-	-	-	-	5,070.51	5,070.51
Other comprehensive income for the year	-	-	-	-	-	(300.00)	(300.00)
Total comprehensive income for the year	-	-	-	-	-	4,770.51	4,770.51
Final dividend paid (₹ 5 per share)	-	-	-	-	-	(1,154.09)	(1,154.09)
Tax on final dividend	-	-	-	-	-	(237.23)	(237.23)
Recognition of share based expenses during the year	-	-	-	-	118.88	-	118.88
Transferred to retained earnings	-	-	-	-	(26.76)	26.76	-
Balance as at 31-03-2020	2,308.18	730.11	495.39	10,492.29	329.46	50,785.33	62,832.58

For the year ended 31-03-2019

Particulars	Equity Share Capital	Reserves and Surplus					Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve	Deemed Contribution from Parent	Retained Earnings	
Balance as at 01-04-2018	2,308.18	730.11	495.39	10,492.29	130.79	48,304.09	60,152.67
Profit for the year	-	-	-	-	-	1,855.65	1,855.65
Other comprehensive income for the year	-	-	-	-	-	2.28	2.28
Total comprehensive income for the year	-	-	-	-	-	1,857.93	1,857.93
Final dividend paid (₹ 5 per share)	-	-	-	-	-	(1,154.09)	(1,154.09)
Interim dividend paid (₹ 5 per share)	-	-	-	-	-	(1,154.09)	(1,154.09)
Tax on final dividend	-	-	-	-	-	(237.23)	(237.23)
Tax on final interim dividend	-	-	-	-	-	(237.23)	(237.23)
Recognition of share based expenses during the year	-	-	-	-	106.55	-	106.55
Balance as at 31-03-2019	2,308.18	730.11	495.39	10,492.29	237.34	47,379.38	59,334.51

Nature and purpose of reserves

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

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N / N500016**Arvind Daga**
Partner
Membership No. 108290Mumbai, 17th June, 2020

For and on behalf of the Board,

K. Handa Chairman
DIN:00056826**Dr. I. Shahani** Director
DIN:00112289**A. Agarwal** Interim Chief Financial OfficerMumbai, 17th June, 2020**A. Ahmad** Vice-Chairman & Managing Director
DIN:00046742**A. Joshi** Company Secretary
Membership No. A22502

CASH FLOW STATEMENT for the year ended March 31, 2020

	₹ Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
A. Cash flow from operating activities :		
Profit before tax		
Continuing operations	3,429.04	2,199.13
Discontinued operations	3,634.04	815.00
Profit before tax including discontinued operations	7,063.08	3,014.13
Adjustments for :		
Depreciation and amortisation expense	4,474.69	3,742.55
Unrealised foreign exchange (gain) (net)	(97.10)	(12.93)
Finance income	(38.22)	(10.98)
Dividend income	(31.87)	(108.83)
(Profit) on sale of property, plant and equipment	(140.29)	(127.58)
Fair value (gain) on investments	(135.03)	(18.00)
Employee share based payment expenses	118.88	106.55
Provision for allowances for credit losses	29.01	96.18
Finance costs	383.40	62.51
(Profit) on sale of Additives business	(845.63)	-
Operating profit before working capital changes	10,780.92	6,743.60
Adjustments for (Increase)/Decrease in working capital :		
Trade receivables	(709.39)	(564.22)
Other current assets	911.59	(1,620.04)
Other non current assets	(35.20)	(116.91)
Other financial assets	236.26	131.48
Inventories	1,456.39	(1,553.68)
Trade payables	(975.27)	679.03
Non current provisions	(48.05)	63.56
Current provisions	(378.51)	488.61
Other current liabilities	165.17	(77.38)
Other financial liabilities	(35.55)	(145.54)
Cash generated from operations	11,368.36	4,028.51
Taxes paid (net of refunds) (Refer Note below)	(1,457.92)	(1,084.77)
Net cash generated from operating activities	9,910.44	2,943.74

	₹ Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
B. Cash flow from investing activities :		
Purchase of property, plant and equipment	(2,458.71)	(3,238.67)
Sale proceeds of property, plant and equipment	215.98	896.64
Purchase of current investments	(153,387.80)	(105,999.83)
Sale proceeds of current investments	146,600.77	108,885.00
Consideration received on sale of Additives business (Refer note 42)	1,377.29	-
Interest received	27.98	36.65
Dividend received	31.87	108.83
Net cash (used in) / generated from investing activities	(7,592.62)	688.62
C. Cash flow from financing activities :		
Finance costs	(46.78)	(49.11)
Dividend paid	(1,154.09)	(2,308.18)
Dividend distribution tax paid	(237.23)	(474.56)
Principal payment of lease liability	(775.89)	-
Interest payment of lease liabilities	(329.00)	-
Net Cash (used in) financing activities	(2,542.99)	(2,831.85)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(225.17)	800.51
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	2,813.51	2,013.00
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (Refer note 9)	2,588.34	2,813.51
Cash flow for discontinued operations		
Net cash inflow from operating activities	4,288.56	4,584.81
Net cash inflow / (outflow) from investing activities	890.00	(652.00)
Net cash inflow / (outflow) from financing activities	-	-
Net increase in cash generated by the discontinued operations	5,178.56	3,932.81
Non cash financing and investing activities		
Acquisition of right of use assets on account of adoption of Ind AS 116	3,994.34	-

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

In terms of our report attached

For and on behalf of the Board,

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

K. Handa Chairman
DIN:00056826

Dr. I. Shahani Director
DIN:00112289

Arvind Daga
Partner
Membership No. 108290

A. Agarwal Interim Chief
Financial Officer

Mumbai, 17th June, 2020

Mumbai, 17th June, 2020

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

A. Joshi Company Secretary
Membership No. A22502

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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, Gujarat 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

New and amended standards applied by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 01 April 2019:

- Ind AS 116 Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Prepayment Features with Negative Compensation, Amendments to Ind AS 109

- Long-term Interests in Associates and Joint Ventures, Amendments to Ind AS 28
- Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19, Employee Benefits
- Annual Improvements to Ind AS
- **Ind AS 116 Leases**
The Company had to change its accounting policies following adoption of Ind AS 116 - Refer Note 35.

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

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

This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation is effective for annual periods beginning on or after April 1, 2019.

Impact: The Company does not have any material impact of the above change

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

This amendment is not applicable to the company.

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

This amendment is not applicable to the company.

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

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

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

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

The interpretation is effective for annual periods beginning on or after April 1, 2019.

Impact: The Company does not have any material impact of the above change

- **Annual Improvements to Ind AS**

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

- Ind AS 23, "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- Ind AS 103, "Business Combination"- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

- Ind AS 111, "Joint arrangements"- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
- Ind AS 12, "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

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

The interpretation is effective for annual periods beginning on or after April 1, 2019.

Impact: The Company does not have any material impact of the above change.

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

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

- (b) **Segment reporting**

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

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

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

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

Company has four Business Units (BU) for reporting purposes, grouped into two Business Areas (BA)

(reportable segments), in accordance with Ind AS 108, Operating Segments:

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

- (c) **Foreign currency translation**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz. Indian Rupee, are recognised at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise. 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 from contracts with customers**

Sales of goods and services are recognized in line with the requirements of Ind AS 115, Revenue from contracts with customers. Revenue is measured based on the consideration the Company expects to receive in exchange for the goods or services. Revenue from sales of goods is recognized in the income statement when control has been transferred to the buyer, which is usually upon delivery, at a fixed or determinable price, and when collectability is reasonably assured. Delivery is defined based on the terms of the sale contract. Revenue from services is recognized when the respective services have been rendered. Revenue is reported net of goods and service tax, returns, discounts and rebates. Rebates to customers are provided for in the same period that the related sales are recorded based on the contract terms.

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

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

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

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

- (f) **Income tax**

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

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

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

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

Effective from April 1, 2019, the Company has adopted Ind AS 116 “Leases” and accordingly accounted for leases as below:

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.

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.

Upto March 31, 2019:

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

i. As a lessee

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

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

ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a

straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Impairment of assets

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

(i) Cash and cash equivalents

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

(j) Assets held for sale 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 32 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

Derecognition of financial assets

A financial asset is derecognised only when the Company

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

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

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

Embedded derivatives

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

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

(n) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a

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

(o) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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 and Masterbatches.

(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:

- defined benefit plans such as gratuity, ex-gratia gratuity, provident fund; and
- 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

Notes forming part of the financial statements for the year ended March 31, 2020

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 34
- Estimated goodwill impairment - Note 3B.
- Estimation for the accounting of employee benefits - Note 39
- Allowance for credit losses on trade receivable - Note 1 (m) and 8
- Measurement of useful lives for property, plant and equipment and intangible assets - Note 1 (o) (q) and (r).
- Estimation of Provision for Inventory - Note 6
- Determination of Lease term - Note 1(g), 22 and 35.

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.

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

Description	Gross block				Depreciation / Amortisation				Net block		
	As at 01-04-2019	Additions	Deductions	Asset classified as held for sale (Refer Note 42)	As at 31-03-2020	As at 01-04-2019	Deductions	For the year	Asset classified as held for sale (Refer Note 42)	As at 31-03-2020	As at 31-03-2020
3A Property, plant and equipment											
Land freehold	2,524.61	-	1.10	2,287.61	235.90	-	-	-	-	-	235.90
Land leasehold	770.87	-	-	280.26	490.61	38.60	-	8.81	22.49	24.92	465.69
Buildings	12,897.50	973.30	18.57	3,293.71	10,558.52	2,714.95	2.63	601.24	610.92	2,702.64	7,855.88
Plant and equipment	21,252.32	2,831.54	186.25	4,889.49	19,008.12	9,878.57	134.03	2,331.80	2,471.82	9,604.52	9,403.60
Furniture and fixtures	1,146.36	8.88	1.67	191.80	961.77	303.09	0.79	121.63	82.23	341.70	620.07
Office equipment	2,256.62	24.88	135.68	340.46	1,805.36	1,987.97	133.42	204.15	279.00	1,779.70	25.66
Vehicles	767.94	78.51	91.47	162.27	592.71	460.64	78.26	121.97	124.83	379.52	213.19
Total	41,616.22	3,917.11	434.74	11,445.60	33,652.99	15,383.82	349.13	3,389.60	3,591.29	14,833.00	18,819.99
Less : Transfer to Right-of-use assets											
Land leasehold	(770.87)	-	-	(280.26)	(490.61)	(38.60)	-	(8.81)	(22.49)	(24.92)	(465.69)
Total	40,845.35	3,917.11	434.74	11,165.34	33,162.38	15,345.22	349.13	3,380.79	3,568.80	14,808.08	18,354.30
3B Goodwill											
Goodwill	4,023.65	-	-	3,129.54	894.11	-	-	-	-	-	894.11
3C Other intangible assets											
Trademarks	1,214.52	-	-	1,214.52	-	556.37	-	98.70	655.07	-	-
Non compete fees	53.00	-	-	53.00	-	53.00	-	-	53.00	-	-
Total	1,267.52	-	-	1,267.52	-	609.37	-	98.70	708.07	-	-
3D Capital work-in-progress	2,145.91	2,175.64	3,915.53	74.51	331.51	-	-	-	-	-	331.51

Description	Gross block				Depreciation / Amortisation				Net block		
	As at 01-04-2018	Additions	Deductions	Asset classified as held for sale (Refer Note 42)	As at 31-03-2019	As at 01-04-2018	Deductions	For the year	Asset classified as held for sale (Refer Note 42)	As at 31-03-2019	As at 31-03-2019
3A Property, plant and equipment											
Land freehold	2,524.61	-	-	-	2,524.61	-	-	-	-	-	2,524.61
Land leasehold	770.87	-	-	-	770.87	26.53	-	12.07	-	38.60	732.27
Buildings	12,405.89	500.88	9.27	-	12,897.50	2,111.97	0.90	603.88	-	2,714.95	10,182.55
Plant and equipment	19,597.20	1,745.39	90.27	-	21,252.32	7,614.86	63.76	2,327.47	-	9,878.57	11,373.75
Furniture and fixtures	1,093.95	52.41	-	-	1,146.36	288.69	-	14.40	-	303.09	843.27
Office equipment	2,300.54	47.00	90.92	-	2,256.62	1,555.63	90.14	522.48	-	1,987.97	268.65
Vehicles	764.92	23.77	20.75	-	767.94	350.42	20.38	130.60	-	460.64	307.30
Total	39,457.98	2,369.45	211.21	-	41,616.22	11,948.10	175.18	3,610.90	-	15,383.82	26,232.40
3B Goodwill											
Goodwill	4,023.65	-	-	-	4,023.65	-	-	-	-	-	4,023.65
3C Other intangible assets											
Trademarks	1,214.52	-	-	-	1,214.52	424.72	-	131.65	-	556.37	658.15
Non compete fees	53.00	-	-	-	53.00	53.00	-	-	-	53.00	-
Total	1,267.52	-	-	-	1,267.52	477.72	-	131.65	-	609.37	658.15
3D Capital work-in-progress	1,041.26	3,474.46	2,369.81	-	2,145.91	-	-	-	-	-	2,145.91

Note 3A: Property, plant and equipment

Buildings include ₹ 450/- (31-03-2019 : ₹ 450/-) being the cost of shares in co-operative housing society

Note 3B: Goodwill

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

Cash generating unit (CGU)	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
Pigment business	894.11	894.11
Masterbatches business	3,129.54	3,129.54
TOTAL	4,023.65	4,023.65

The recoverable amount of Pigment business the CGU are determined based on a value in use calculation which uses cash flow projections covering a five-year period and a discount rate 12.05% per annum (31-03-2019 : 15.42% per annum). For both the CGU, cash flow projections during the five year period are based on the historical growth rate and margins. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum (31-03-2019 : 5% per annum) growth rate which is the projected long-term average growth rate.

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

Notes forming part of the financial statements for the year ended March 31, 2020

	As at 31-03-2020 ₹ Lakhs	As at 31-03-2019 ₹ Lakhs
4 Non-current financial assets : Loans		
Security and other deposits (Unsecured, considered good)	796.45	961.27
Loans to employees	4.35	9.47
	800.80	970.74
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	800.80	970.74
Significant increase in Credit Risk	-	-
Credit impaired	-	-
5 Other non-current assets		
Capital advances	66.28	147.39
Indirect taxes recoverable	1,728.81	1,692.48
Prepayments	17.52	14.00
	1,812.61	1,853.87
6 Current assets : Inventories		
(Valued at the lower of cost and net realisable value)		
Raw materials	4,340.41	6,350.94
Packing materials	219.54	215.18
Work-in-progress	2,493.19	3,303.62
Finished goods	4,175.76	5,923.49
Stock-in-trade	1,024.27	1,924.32
Stores and spares	318.26	632.93
	12,571.43	18,350.48
Included above, goods in transit		
Raw materials	219.52	405.49
Stock-in-trade	634.98	901.10
	854.50	1,306.59
7 Current financial assets : Investments		
Unquoted Investments (All fully paid)		
Investments in Mutual funds		
Aditya Birla Sun Life Liquid Fund - Reg - Gr	1,469.09	-
ICICI Prudential Liquid Fund - Reg - Gr	1,969.77	-
HDFC Liquid Fund - Gr	1,930.18	-
Axis Liquid Fund - Gr	1,956.59	-
SBI Overnight Fund - Gr	803.53	-
Birla Sun Life Cash Plus - Regular Plan - DDR	-	301.91
DSP BlackRock Mutual Fund - Liquidity Fund Institutional Plan - DDR	-	301.75
Reliance Liquid Fund - Treasury Plan - DDR	-	301.86
Axis Mutual Fund - DDR	-	301.83
	8,129.16	1,207.35
Of the above, investments mandatorily measured at FVTPL	8,129.16	1,207.35

Notes forming part of the financial statements for the year ended March 31, 2020

	As at 31-03-2020 ₹ Lakhs	As at 31-03-2019 ₹ Lakhs
8 Current financial assets : Trade receivables		
Secured, considered good	491.62	439.92
Unsecured, considered good	14,528.34	17,873.73
Credit impaired	116.75	211.01
	15,136.71	18,524.66
Less: Allowances for credit losses	345.21	371.60
	14,791.50	18,153.06
9 Current financial assets : Cash and bank balances		
Cash and cash equivalents :		
Cash on hand	1.58	1.85
Cheques, drafts on hand	-	93.43
In current accounts	2,448.83	1,867.36
Term deposits with original maturity of less than three months	137.93	850.87
	2,588.34	2,813.51
Other bank balances :		
Earmarked current account : Unclaimed dividend	611.62	695.62
	611.62	695.62
10 Current financial assets : Loans		
Security and other deposits (Unsecured, considered good)	2.50	38.79
Loans to employees	8.69	14.02
	11.19	52.81
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	11.19	52.81
Significant increase in Credit Risk	-	-
Credit impaired	-	-
11 Current financial assets : Others		
Unbilled Revenue	0.06	1.09
Advances recoverable in cash	9.92	111.46
	9.98	112.55
12 Other current assets		
Advances to suppliers	1,141.37	552.88
Balance with Government authorities	3,418.02	4,805.45
Prepayments	111.38	129.16
Export incentives receivable	402.55	687.36
Other current assets	12.21	21.61
	5,085.53	6,196.46

Notes forming part of the financial statements for the year ended March 31, 2020

	As at 31-03-2020 ₹ Lakhs	As at 31-03-2019 ₹ Lakhs
13 Assets/Liabilities classified as held for sale of Masterbatch business		
Assets classified as held for sale (Refer note 42)	19,440.18	-
Liabilities directly associated with assets classified as held for sale (Refer note 42)	(5,461.40)	-
	13,978.78	-
14 Share Capital		
Authorised		
3,00,00,000 equity shares of ₹ 10/- each	3000.00	3000.00
Issued, subscribed and paid up		
2,30,81,798 equity shares of ₹ 10/- each fully paid up (31-03-2019 : 2,30,81,798)	2308.18	2308.18

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

	As at 31-03-2020		As at 31-03-2019	
	Number	₹	Number	₹
Equity shares :				
Outstanding as at the beginning of the year	23,081,798	2308.18	23,081,798	2308.18
Outstanding as at the end of the year	23,081,798	2308.18	23,081,798	2308.18

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

Name of Shareholder	As at 31-03-2020		As at 31-03-2019	
	Number	Percentage	Number	Percentage
EBITO Chemiebeteteiligungen AG. *	4,109,426	17.80%	4,109,426	17.80%
Clariant Plastic & Coating AG *	7,662,624	33.20%	7,662,624	33.20%

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

14 c The Company has not allotted any equity shares for consideration other than cash and bonus shares during the period of five financial years immediately preceding the Balance Sheet date**14 d Shares bought back (during 5 financial years immediately preceding March 31, 2019)**

	As at 31-03-2020	As at 31-03-2019	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Equity Shares bought back	-	-	-	-	3,578,947

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

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

Notes forming part of the financial statements for the year ended March 31, 2020

14 e Rights, preferences and restrictions attached to shares

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

14 f Dividend on equity shares

The Board of Directors at its meeting held on June 17, 2020, recommended the payment of final dividend of ₹ 11 per equity share for the financial year ended March 31, 2020. The same is subject to approval by the shareholders at the forth coming Annual general meeting and if approved would result in a cash outflow of approximately ₹ 2539 Lakhs.

The Board of Directors at its meeting held on May 16, 2019, have recommended the payment of final dividend of ₹ 5 per equity share for the financial year ended March 31, 2019. The same was approved by the shareholders at the Annual general meeting held on August 08, 2019 and paid during the year resulting in cash outflow of ₹ 1391.32 Lakhs (including corporate dividend tax of ₹ 237.23 Lakhs).

	As at 31-03-2020 ₹ Lakhs	As at 31-03-2019 ₹ Lakhs
15 Other equity		
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)	329.46	237.34
Retained earnings	50,785.33	47,379.38
	62,832.58	59,334.51
16 Non - current liabilities : Provisions		
Provision for employee benefits		
Compensated absences	566.80	899.63
Gratuity	503.03	412.61
	1,069.83	1,312.24
17 Deferred tax liabilities (Net)		
Deferred tax liabilities		
Property, plant and equipment and investment properties	1,561.84	2,426.71
Intangible assets	77.48	112.75
	1,639.32	2,539.46
Deferred tax for assets		
Allowance credit losses and doubtful receivables	86.89	129.84
Provision for employee benefits	473.36	587.11
Other provisions	187.01	302.97
Others	3.67	4.32
	750.93	1,024.24
Deferred tax on discontinued operations	(363.55)	-
	524.84	1,515.22

Notes forming part of the financial statements for the year ended March 31, 2020

Movements in deferred tax liabilities (net) for the year ended 31-03-2020					₹ Lakhs
Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Discontinued Operations	Closing balance
Property, plant and equipment and investment properties	2,426.71	(864.87)	-	(432.18)	1,129.66
Intangible assets	112.75	(35.27)	-	(77.48)	-
Allowance for credit losses and doubtful receivables	(129.84)	42.95	-	35.52	(51.37)
Provision for employee benefits	(587.11)	171.92	(58.17)	110.59	(362.77)
Other provisions	(302.97)	115.96	-	-	(187.01)
Others	(4.32)	0.65	-	-	(3.67)
Net Deferred tax Liabilities / (Assets)	1,515.22	(568.65)	(58.17)	(363.55)	524.84

Movements in deferred tax liabilities (net) for the year ended 31-03-2019					₹ Lakhs
Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Recognised in OCI	Closing balance
Property, plant and equipment and investment properties	2,722.29	(295.58)	-	-	2,426.71
Impairment on assets held for sale	(50.61)	50.61	-	-	-
Intangible assets	118.54	(5.79)	-	-	112.75
Allowance for credit losses and doubtful receivables	(111.39)	(18.45)	-	-	(129.84)
Provision for employee benefits	(563.85)	(24.48)	1.22	-	(587.11)
Other provisions	(54.50)	(248.47)	-	-	(302.97)
Others	(2.52)	(1.80)	-	-	(4.32)
Net Deferred tax Liabilities / (Assets)	2,057.96	(543.96)	1.22	-	1,515.22

	As at 31-03-2020 ₹ Lakhs	As at 31-03-2019 ₹ Lakhs
18 Current financial liabilities : Trade payables		
Trade Payables:		
- Total outstanding dues of micro and small enterprises (Refer Note 37)	399.52	622.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13,137.50	18,297.51
	13,537.02	18,919.99
19 Current financial liabilities : Others		
Security and other deposits	456.53	686.73
Employee benefits payable	731.18	1,093.96
Payables for capital expenditure	75.20	437.05
Accrued liabilities	60.72	75.19
Unclaimed dividend *	611.62	695.62
	1,935.25	2,988.55

* There is no amount due and outstanding to be credited to Investor's Education and Protection Fund.

Notes forming part of the financial statements for the year ended March 31, 2020

	As at 31-03-2020 ₹ Lakhs	As at 31-03-2019 ₹ Lakhs
20 Other current liabilities		
Advances from customers - Contract liabilities *	282.18	33.11
Statutory dues (including provident fund and withholding taxes)	144.85	222.51
Other liabilities	23.50	30.44
	450.53	286.06

* 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.

21 Current liabilities : Provisions		
Provision for employee benefits		
Compensated absences	114.44	118.09
Gratuity	250.00	250.00
Other Provisions		
Provision for indirect tax matters	533.12	866.72
	897.56	1,234.81

21a Movements in provision for indirect tax matters		
Opening balance	867.12	369.62
Provision during the period	134.16	497.50
Amount utilised	(468.02)	-
Closing balance	533.26	867.12

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

22 Leases (Refer note 35)		
22A Right-of-use assets		
Building	3,008.36	-
Land	465.69	-
	3,474.05	-

22B Current Lease liabilities		
Lease liabilities	826.12	-
	826.12	-

22C Non-Current Lease liabilities		
Lease liabilities	2,391.95	-
	2,391.95	-

	Year ended 31-03-2020 ₹ Lakhs	Year ended 31-03-2019 ₹ Lakhs
23 Revenue from operations (Refer Note 43)		
Revenue from contracts with customers		
Sale of products	71,991.97	67,746.63
Sale of services	2,476.92	2,850.63
Other operating revenue		
Export incentives	879.17	1,028.46
Commission income	276.79	135.97
Scrap sale	103.00	113.31
	75,727.85	71,875.00

Notes forming part of the financial statements for the year ended March 31, 2020

	Year ended 31-03-2020 ₹ Lakhs	Year ended 31-03-2019 ₹ Lakhs
24 Other income		
Interest income on financial assets at amortised cost		
Fixed deposits	6.74	5.52
Others	31.48	5.46
Dividend Income from :		
Financial assets mandatorily measured at FVTPL	31.87	108.83
Rental income		
Sublease of office premises	1,029.19	481.92
Other gains and losses		
Net Gain on disposal of property, plant and equipment	138.67	82.93
Foreign exchange gain (net)	377.30	307.34
Net gain on financial assets mandatorily measured at FVTPL	135.03	18.00
	1,750.28	1,010.00
25 Cost of materials consumed *		
Raw materials consumed	37,756.40	36,972.87
Packing materials consumed	1,462.33	1,755.62
	39,218.73	38,728.49
* Cost of materials consumed is based on derived values.		
26 Changes in inventories		
Opening inventories		
Finished goods	4,599.34	3,850.63
Stock-in-trade	800.80	846.46
Work - in - progress	3,148.22	2,117.80
	8,548.36	6,814.89
Less: Closing inventories		
Finished goods	4,175.54	4,599.34
Stock-in-trade	912.44	800.80
Work - in - progress	2,493.19	3,148.22
	7,581.17	8,548.36
Changes in inventories	967.19	(1,733.47)
27 Employee benefits expense		
Salaries, wages, bonus, etc.	4,691.77	4,424.64
Gratuity and Ex gratia gratuity	178.61	158.03
Provident fund	236.25	232.62
Contribution to superannuation fund	100.81	113.29
Share based payments (Refer Note 40)	118.88	106.55
Staff welfare expenses	876.81	891.87
	6,203.13	5,927.00

Notes forming part of the financial statements for the year ended March 31, 2020

	Year ended 31-03-2020 ₹ Lakhs	Year ended 31-03-2019 ₹ Lakhs
28 Finance costs		
Interest expenses - on financial liability at amortised cost	54.78	62.34
Interest cost on lease Liabilities	328.62	-
	383.40	62.34
29 Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	2,830.96	2,784.35
Depreciation of Right to use assets of	994.79	-
Amortisation of intangible assets	98.70	131.65
	3,924.45	2,916.00
30 Other expenses		
Stores and spare parts etc. consumed	224.98	222.88
Repairs and maintenance :		
Plant and machinery	1,416.66	1,486.02
Buildings	354.87	262.60
Others	265.82	228.32
Power and fuel	4,607.96	4,756.06
Rent (Refer Note 35)	28.95	1,109.03
Rates and taxes (including water charges)	1,516.47	954.40
Insurance	211.93	208.25
Clearing, forwarding and transport	1,616.19	1,336.03
Travelling and conveyance	419.61	606.16
Commission	112.27	62.19
Royalty	54.76	84.12
Legal and consultancy	399.03	460.84
Information technology services	1,094.73	1,046.01
Payment to statutory auditors :		
As auditors	19.58	17.79
For other services	19.95	20.31
For reimbursement of expenses	2.94	4.14
Allowances for credit losses	50.94	196.59
Bad debts written off	55.40	46.43
Less: Utilisation of loss allowance on trade receivables	(55.40)	(46.43)
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 38)	52.25	46.75
Service charges	1,320.40	1,262.10
Miscellaneous expenses	2,636.22	2,400.93
	16,426.51	16,771.52

Notes forming part of the financial statements for the year ended March 31, 2020

	Year ended 31-03-2020 ₹ Lakhs	Year ended 31-03-2019 ₹ Lakhs
31 Reconciliation of income tax expenses with accounting profit		
Profit before tax from continuing operations	3,429.04	2,199.13
Profit before tax from discontinued operations	3,634.04	815.00
	7,063.08	3,014.13
Income tax using the Company's domestic tax rate @ 25.17% (PY 34.94%)	1,777.78	1,053.14
Effect of expenses that are not deductible in determining taxable profit	121.86	113.07
Effect of income that is not taxable	(8.02)	(28.51)
Effect on deferred tax balances due to the change in income tax rate	(432.89)	20.78
Effect of income taxed at different rate	(9.49)	-
Effect of tax adjustments of prior years (net) *	543.33	-
	1,992.57	1,158.48
Income tax expense recognised in profit or loss	1,449.24	1,158.48
Effect of tax adjustments of prior years (net)	543.33	-
	1,992.57	1,158.48

* In case of direct taxes, the Company is also in the process of availing Vivad se Vishwas scheme for which provision of ₹ 543.33 lakhs has been created in current year ended March 31, 2020.

The company exercised the option of lower tax rate under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Company had opted for this option in December 2019 and accordingly the impact of reduced tax rate has come in December 2019 quarter in the books.

32 Financial instruments and risk review for continuing and discontinued operations

Capital management

"The Company's objectives when managing capital are to :

- 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
- 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 14 and 15). The Company is a zero debt company with no long-term borrowings as at 31-03-2020. The Company is not subject to any externally imposed capital requirements.

Categories of financial instruments

Particulars	31-03-2020	31-03-2019
Financial assets		
Measured at amortised cost		
Cash and bank balances	3,199.96	3,509.13
Trade receivables	18,499.46	18,153.06
Loans	965.72	1,023.55
Other financial assets	9.98	112.55
Measured at fair value through profit and loss (FVTPL)		
Mandatorily measured - Investments in mutual funds	8,129.16	1,207.35
Financial liabilities		
Measured at amortised cost		
Trade payables	17,523.61	18,919.99
Other financial liabilities	2,599.25	2,988.55

Notes forming part of the financial statements for the year ended March 31, 2020

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.

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	31-03-2020	31-03-2019
Amount receivable		
USD (Amount in foreign currency)	6,326,306.34	6,725,312.92
₹ in Lakhs	4,773.66	4,649.81
EURO (Amount in foreign currency)	92,678.08	39,850.25
₹ in Lakhs	76.62	30.95
CHF (Amount in foreign currency)	-	2,314.80
₹ in Lakhs	-	1.61
Amount payable		
USD (Amount in foreign currency)	2,198,877.47	3,440,265.46
₹ in Lakhs	1,660.38	2,378.56
EURO (Amount in foreign currency)	1,727,861.59	2,505,922.95
₹ in Lakhs	1,428.23	1,946.61
CHF (Amount in foreign currency)	215,876.07	298,560.47
₹ in Lakhs	168.37	207.33
JPY (Amount in foreign currency)	-	35,100,000.00
₹ in Lakhs	-	219.01

Notes forming part of the financial statements for the year ended March 31, 2020

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	31-03-2020		31-03-2019	
	1% strengthening	1% weakening	1% strengthening	1% weakening
	USD	(31.13)	31.13	(22.71)
EURO	13.52	(13.52)	19.16	(19.16)
CHF	1.68	(1.68)	2.06	(2.06)
JPY	-	-	2.19	(2.19)

Credit risk

Credit risk arises from entering into derivative financial instruments, from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

Customer credit risk exposure is triggered by customer default risk and country risk. As at balance sheet date, the Company does not have significant concentration of credit risk either due to size of customers or due to country risk.

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

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

Ageing of the receivables

Particulars	₹ Lakhs	
	31-03-2020	31-03-2019
Within credit period	15,630.38	16,401.04
Past dues:		
upto 60 days	2,811.12	1,664.80
61 to 180 days	253.14	221.45
more than 180 days	150.03	237.37
Allowance for life time expected credit Loss on trade receivables	345.21	371.60

Movement in the credit loss allowance

Particulars	₹ Lakhs	
	31-03-2020	31-03-2019
Balance at the beginning of the year	371.60	321.85
Allowance for expected credit loss on trade receivable	29.01	96.18
Bad Debts write off	(55.40)	(46.43)
Balance at the end of the year	345.21	371.60

Notes forming part of the financial statements for the year ended March 31, 2020

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
As at 31-03-2020			
Trade payables	17,523.61	-	-
Lease liabilities	1,081.41	2,692.45	-
Other financial liabilities	2,599.25	-	-
As at 31-03-2019			
Trade payables	18,919.99	-	-
Other financial liabilities	2,988.55	-	-

33 Fair value measurement and related disclosures

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

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

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-03-2020	31-03-2019		
Financial assets at fair value through profit or loss	8,129.16	1,207.35	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.

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

(a) Contingent liabilities :	₹ Lakhs	
	31-03-2020	31-03-2019
(i) in respect of income tax matters	2,938.83	3,082.59
(ii) in respect of sales tax / VAT matters	505.62	2,420.55
(iii) in respect of excise / service tax matters	357.00	1,160.23
(iv) Other matters in dispute	234.82	284.82

In respect of above items, future cash outflows, if any are determinable only on receipt of judgements pending at various forums/authorities.

Notes forming part of the financial statements for the year ended March 31, 2020

	₹ Lakhs	
	31-03-2020	31-03-2019
(b) Commitments :		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	212.84	646.16
(ii) Others - amount of future minimum lease payments under non-cancellable operating leases (Refer note 35)	*	3928.78

* In current year disclosures have been made under Note 35.

35A Operating Leases :**As Lessee :**

For previous financial year ended 31-03-2019 minimum lease rentals payable towards non-cancellable period of the lease agreements for not later than one year ₹ 779.40 lakhs and for later than one year and not later than five years ₹ 3,149.38 lakhs.

As Lessor :

The company has given certain leased properties and buildings on operating lease to third parties. The lease arrangements ranging from 11 months to 4 years are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ 1,045.85 lakhs (Previous year ₹ 509.07 Lakhs) on such lease is included in Other Income (Refer Note 24 and 42).

B) Lease adoption impact - disclosure

The Company has adopted Ind AS 116 retrospectively from April 1, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassification and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 1, 2019. The new accounting policies are disclosed in note 1(g).

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The incremental borrowing rate applied to the lease liabilities on April 1, 2019 was ranging between 8.6% to 9%.

(i) In applying IND AS 116 for the first time, the company has used the following practical expedients permitted by the standard

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review there were no onerous contracts as at April 1, 2019
- the Company has relied on its previous assessment under IND AS 17 to determine a lease for contracts existing as on the transition date
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- using initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease

(ii) Measurement of lease liabilities

Particulars	As at March 31, 2020
Operating lease commitments disclosed as at March 31, 2019	3,928.78
Add/less: adjustments as a result of a different treatment of extension and termination options	119.22
Discounted using the lessee's incremental borrowing rate - at the date of initial application including short term Leases	4,048.00
Less : short-term leases not recognised as a liability	53.66
Lease liability recognised as at April 1, 2019	3,994.34

Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	As at March 31, 2020
Of which are:	
Current lease liabilities	776.27
Non-current lease liabilities	3,218.07
	3,994.34

C) Right-of-use assets

Particulars	₹ Lakhs As at April 01, 2019
Buildings	
Cost	3,994.34
Accumulated depreciation	-
Net Carrying amount	3,994.34

For leasehold land previously classified as finance lease, the entity recognised the carrying amount of ₹ 732.37 lakhs of the lease asset as the carrying amount of the right of use asset at the date of initial application. The measurement principle of Ind AS 116 are only applied after that date.

D) Adjustments recognised in Balance Sheet on April 1, 2019

Particulars	₹ Lakhs
Increase in Right of Use Assets	4,726.71
Increase in Lease Liabilities	3,994.34
Decrease in Property, plant and equipment	732.37

E) Amounts recognised in Balance sheet

Particulars	₹ Lakhs Net Carrying amount as at March 31, 2020
Right-of-use assets	
Buildings	3,008.36
Land	465.69
Total	3,474.05
Lease liabilities	
Current	826.12
Non current	2,391.95
Total	3,218.07

F) Amounts recognised in profit or loss

Particulars	₹ Lakhs March 31, 2020
Depreciation charge of right-of-use of assets	
Buildings	985.98
Land	8.81
Total	994.79

For the year ended 31st March 2020, interest expense (included in finance cost) on lease liability is ₹ 328.62 lakhs and expense related to low value assets and short term leases (included in other expenses) is ₹ 53.66 lakhs.

Notes forming part of the financial statements for the year ended March 31, 2020

G) Net Debt Reconciliation

Particulars	₹ Lakhs	
	As at April 01, 2019	
Net debt as on 1 st April 2019	-	
Initial recognition as per Ind AS	3,994.34	
Cash Outflow	(1,104.89)	
Interest	328.62	
Net debt as on 31 st March 2020	3,218.07	

36 Earnings per share from continuing and discontinued operations :

	31-03-2020	31-03-2019
(a) Basic and diluted earnings per share (Amount in Rupees)	21.96	8.05
Continuing operations	8.03	5.00
Discontinued operations	13.93	3.05
(b) Profit attributable to the equity holder of the company (in Lakhs)	5,070.51	1,855.65
Continuing operations	1,855.55	1,152.65
Discontinued operations	3,214.96	703.00
Weighted average number of equity shares (Numbers)	23,081,798	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.

	₹ Lakhs	
	31-03-2020	31-03-2019
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3.72	22.98
(b) Principal amount not due to suppliers registered under the MSMED Act and remaining unpaid as at year end	395.80	599.50
(c) Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.05	0.20
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2769.39	2,686.50
(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	9.16	7.54
(h) Further interest remaining due and payable for earlier years	58.20	50.46

38 Corporate Social responsibility

(a) Gross amount required to be spent by the company during the year ₹ **54.86 Lakhs** (Previous year : ₹ 59.46 Lakhs)

Notes forming part of the financial statements for the year ended March 31, 2020

(b) Amount spent during the year on :

Particulars	Year ended 31-03-2020			Year ended 31-03-2019		
	In Cash ₹ Lakhs	Yet to be paid in cash ₹ Lakhs	Total ₹ Lakhs	In Cash ₹ Lakhs	Yet to be paid in cash ₹ Lakhs	Total ₹ Lakhs
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	52.25	-	52.25	46.75	-	46.75

39 Employee benefits for continuing and discontinued operations:**(1) Defined benefits plans - As per actuarial valuation****(a) Gratuity and Ex-Gratia gratuity**

	Year ended 31-03-2020 ₹ Lakhs		Year ended 31-03-2019 ₹ Lakhs	
	Funded	Unfunded	Funded	Unfunded#
(i) Expenses recognised in the statement of profit and loss for the year				
1 Current service cost	193.23	-	183.60	-
2 Past service cost *	-	-	-	(11.36)
3 Interest cost	42.20	-	41.96	-
4 Expense recognised in statement of profit and loss	235.43	-	225.56	(11.36)
(ii) Expenses recognised in other comprehensive income				
1 Return on plan assets	55.93	-	20.41	-
2 Loss / (Gain) from change in financial assumptions	205.46	-	51.77	-
3 Loss/(Gain) from change in demographic assumptions	-	-	0.19	-
4 Experience (Gain)/Loss	96.86	-	(75.87)	-
5 (Income) / Expense recognised in Other comprehensive income	358.25	-	(3.50)	-
(iii) Actual return on plan assets for the year				
1 Expected return on plan assets	168.16	-	160.88	-
2 Actuarial gain on plan assets	(55.93)	-	(20.41)	-
3 Actual return on plan assets	112.23	-	140.47	-
(iv) Net asset/(liability) recognised in the balance sheet as at the year end				
1 Present value of the defined benefit obligation	3,169.52	-	2,810.11	-
2 Fair value of plan assets	2,180.33	-	2,147.50	-
3 Net (liability)/asset recognised in the balance sheet	(989.19)	-	(662.61)	-
(v) Change in defined benefit obligation during the year				
1 Present value of obligation at the beginning of the year	2,810.11	-	2,656.37	12.11
2 Current service cost	193.23	-	183.60	-
3 Past service cost	-	-	-	(11.36)
4 Interest cost	210.36	-	202.84	-
5 Benefits paid	(258.03)	-	(202.21)	(0.75)
6 Actuarial (Gain)/Loss on obligation	302.32	-	(23.91)	-
7 Transfer (out)	(88.47)	-	(6.58)	-
8 Present value of obligation as at the end of the year	3,169.52	-	2,810.11	-

Notes forming part of the financial statements for the year ended March 31, 2020

	Year ended 31-03-2020 ₹ Lakhs		Year ended 31-03-2019 ₹ Lakhs	
	Funded	Unfunded	Funded	Unfunded*
(vi) Changes in fair value of plan asset during the year				
1 Fair value of plan assets as at the beginning of the year	2,147.50	-	2,013.28	-
2 Expected return on plan assets	168.16	-	160.88	-
3 Contributions made	267.10	-	202.54	-
4 Transfer (out) on account of business acquisition / sale and employees transfer	(88.47)	-	(6.58)	-
5 Benefits paid	(258.03)	-	(202.21)	-
6 Actuarial gain on plan assets	(55.93)	-	(20.41)	-
7 Fair value of plan assets as at the end of the year	2,180.33	-	2,147.50	-
(vii) Major categories of plan assets as a percentage of total plan assets				
1 Government debt instruments	29.32%	-	37.21%	-
2 Other debt instruments	27.43%	-	1.14%	-
3 Insurer managed funds	32.71%	-	34.63%	-
4 Others	10.54%	-	27.02%	-
(viii) Actuarial assumptions				
1 Discount rate	6.95%	-	7.85%	-
2 Expected rate of return on plan assets	6.95%	-	7.85%	-
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.				
(x) The unfunded defined benefit plan represents "Ex-gratia gratuity".				
* Gratuity :				
i) Change in ceiling limit from ₹10 lakhs to ₹20 lakhs pursuant to "The Payment of Gratuity (Amendment) Act, 2018 notified by the Central Government on 29 March 2018 &				
ii) Change in gratuity and ex-gratia benefit for certain employees				
* Exgratia : on account of change in gratuity and ex-gratia benefit for certain employees				
# During the previous year 2018-19, the Company has discontinued Ex-gratia gratuity scheme.				
		31-03-2020	31-03-2019	
(b) Sensitivity analysis				
Impact of increase in 25 bps on DBO				
1 Discount Rate Gratuity		-1.88%	-1.84%	
2 Salary Escalation Gratuity		1.91%	1.89%	
Impact of decrease in 25 bps on DBO				
1 Discount Rate Gratuity		1.94%	1.90%	
2 Salary Escalation Ex-gratia		-1.86%	-1.83%	

Notes forming part of the financial statements for the year ended March 31, 2020

- (c) The weighted average duration of the defined benefit obligation is **7.85 years** for gratuity. The expected maturity analysis is as follows:

	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
Expected benefits for year 1	402.24	260.72
Expected benefits for year 2	265.38	278.65
Expected benefits for year 3	434.13	209.48
Expected benefits for year 4	248.19	386.11
Expected benefits for year 5	315.10	257.42
Expected benefits for year 6	326.86	284.87
Expected benefits for year 7	304.51	306.31
Expected benefits for year 8	293.03	300.46
Expected benefits for year 9	265.66	253.71
Expected benefits for year 10 and above	3,301.02	3,309.12

- (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.

	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
(2) Other long term benefits		
Compensated absences	891.47	1017.72
(3) Provident fund		
Defined benefit obligation	3,540.31	3,038.94
Fund assets	3,540.31	3,038.94
Net liability	-	-
Actuarial assumptions		
1 Discount rate	6.95%	7.85%
2 Average historic yield on the portfolio	7.77%	8.26%
3 Discount rate for the remaining term to maturity of the portfolio	5.65%	7.05%
4 Expected investment return	9.07%	9.06%
5 Guaranteed rate of return	8.50%	8.65%

As per the actuarial valuation report, there is no liability as at the balance sheet date towards the Company's obligation to make good the shortfall in interest rate as compared to statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

Notes forming part of the financial statements for the year ended March 31, 2020

The Company has implemented the decision given in the Supreme Court Judgment in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. April 1, 2019. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact in respect of earlier years.

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	31-03-2020		31-03-2019	
	GSM-LTIP	PSU	GSM-LTIP	PSU
Outstanding at the beginning of the year	2,174	23,385	7,320	13,234
Granted during the year	10,890	-	2,174	17,503
Forfeited during the year	-	(2,319)	(5,144)	(7,352)
Exercised and vested during the year	-	-	(2,176)	-
Expired during the year	-	(3,746)	-	-
Outstanding at the end of the year	13,064	17,320	2,174	23,385
Weighted average fair value of the shares granted during the year ended (in CHF per share)	-	15.91	-	20.34
Weighted average remaining contractual life	1.85 Years	0.38 Years	1.99 Years	1.29 Years

No options were exercised in the current year. The weighted average share price at the date of exercise of options during the year ended on 31-03-2019 was 19.71 CHF per share.

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

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

Relationship :

(a) Enterprises where control exists:

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

Notes forming part of the financial statements for the year ended March 31, 2020

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

Fellow subsidiary companies :

Clariant (New Zealand) Ltd.	Clariant Plastics & Coatings (Japan) K.K.
Clariant (Singapore) Pte. Ltd.	Clariant Plastics & Coatings (Taiwan) Co., Ltd.
Clariant Chemicals (China) Ltd.	Clariant Plastics & Coatings (Thailand) Ltd
Clariant Chemicals Pakistan (Pvt.) Ltd.	Clariant Plastics & Coatings México, S.A. de C.V
Clariant Coatings (Shanghai) Ltd.	Clariant Plastics & Coatings Polska Sp.z o.o.
Clariant India Limited	Clariant Plastics & Coatings Southern Africa (Pty) Ltd.
Clariant International Ltd.	Clariant Services (Poland) SP.Z.O.O.
Clariant Masterbatches (Malaysia) Sdn Bhd	Colorants International AG
Clariant Masterbatches (Shanghai) Ltd.	Colorants Solutions Singapore Pte. Ltd.
Clariant Masterbatches (Thailand) Ltd.	PT. Clariant Plastics and Coatings Indonesia
Clariant Medical Specialties India Limited	Performance Masterbatches Ltd.
Clariant Plastics & Coating USA Inc	PT. Clariant Specialties Indonesia
Clariant Plastics & Coatings (Argentina) SA	Colorants Solutions (Deutschland) GmbH
Clariant Plastics & Coatings (Deutschland) GmbH	Süd-Chemie India Pvt. Ltd. (SCIL)

(c) Key management personnel:

Executive Directors

Adnan Ahmad
Sanjay Ghadge (with effect from 08-08-2019 to 31-12-2019)

Non-Executive Directors

Kewal Handa
Sunirmal Talukdar
Indu Shahani
Alfred Muench
Karl Holger Dierssen (up to 31-05-2019)
Mario Brocchi (up to 12-02-2019)
Thomas Wenger (with effect from 12-02-2019)
Sanjay Ghadge (with effect from 01-01-2020)

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

Conexus Social Responsibility Services Private Limited (consultancy for CSR Strategy)

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

	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
(i) Principal Shareholders :		
Transactions during the year :		
Clariant Plastic & Coating AG (Erstwhile known as Clariant Participations AG)		
Purchase of goods	4,342.61	6,088.14
Indenting commission received	425.66	253.24
Information technology service charges	79.08	-

Notes forming part of the financial statements for the year ended March 31, 2020

	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
Royalty expenses	62.85	84.12
Expenses recovered	0.01	4.80
Dividend paid	383.13	766.26
Purchase of Property, plant and equipment	-	6.35
EBITO Chemieeteiligungen AG		
Dividend paid	205.47	410.94
(ii) Fellow subsidiaries :		
Transactions during the year :		
Sales of goods		
Clariant (Singapore) Pte. Ltd.	18,289.68	24,199.15
Colorants Solutions Singapore Pte. Ltd.	6,220.79	-
Others	4,134.75	2,687.46
Purchase of goods		
Clariant (Singapore) Pte. Ltd.	1,055.34	2,210.08
Colorants International AG	1,153.20	-
Colorants Solutions Singapore Pte. Ltd.	294.76	-
Clariant India Limited	221.41	446.22
Others	500.36	525.95
Purchase of property, plant and equipment		
Clariant Plastics & Coatings (Deutschland) GmbH	24.89	201.63
Others	1.81	-
Rental income		
Clariant India Limited	981.87	447.20
Clariant Medical Specialties India Limited	56.11	56.83
Services rendered		
Clariant India Limited	1,499.59	1,895.41
Clariant Medical Specialties India Limited	168.73	242.13
Indenting commission received		
Clariant Masterbatches (Thailand) Ltd.	9.80	10.23
Clariant (Singapore) Pte. Ltd.	-	41.41
Colorants International AG	49.36	-
Others	4.30	0.03
Commission paid		
Clariant Chemicals Pakistan (Pvt.) Ltd.	84.24	30.27

Notes forming part of the financial statements for the year ended March 31, 2020

	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
Expenses recovered		
Clariant India Limited	92.93	45.09
Others	0.05	3.97
Consideration for the sale of Additive Business (Refer note 42)		
Clariant India Limited	1,377.29	-
Services received		
Clariant India Limited	175.39	185.31
Clariant International AG	752.44	803.04
Clariant Services (Poland) Sp. z.o.o.	1,339.17	1,274.28
(iii) Key management personnel :		
Executive Directors		
Short-term employee benefits	450.85	364.19
Post-employment benefits	26.84	15.91
Long-term employee benefits	-	6.18
Employee share-based payment	111.70	136.56
Total Remuneration	589.38	522.83
Non-Executive Directors		
Sitting fees	31.20	24.80
Commission	24.00	13.50
Total Remuneration	55.20	38.30
(iv) Entity over which key management personnel has significant influence :		
Expenditure towards Corporate Social Responsibility activities		
Conexus Social Responsibility Services Private Limited	-	1.08
(v) Balances outstanding as at the year end :		
Principal Shareholders :		
Trade payables	70.84	1761.57
Trade receivables	37.00	34.92
Fellow Subsidiaries :		
Trade payables	2,406.65	1,593.34
Trade receivables	5,950.98	6,496.61
Key Management Personnel :		
Payable balance	137.66	140.83

Notes forming part of the financial statements for the year ended March 31, 2020

42 Discontinued operation**(a) Description**

The Board of Directors at their meeting held on November 06, 2019 has approved the sale of Business Unit – Additives (BU - Additives) to Clariant India Limited for a consideration of ₹ 1,684 Lakhs subject to working capital changes. Business was transferred with effect from January 01, 2020. After giving effect of working capital changes revised consideration stands at ₹ 1,377.29 Lakhs. Additive business operations have been disclosed as discontinued operations. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss. Gain on disposal of Additives business has been included in profit before tax from discontinued operations.

The Board of Directors at their meeting held on December 19, 2019 has approved the sale of Business Unit – Masterbatches to PolyOne for a consideration of ₹ 42,600 Lakhs subject to adjustments and local statutory approvals. Accordingly, as per Ind AS 105 on Non-current Assets held for sale and discontinued operations, masterbatch business operations have been disclosed as discontinued operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss and has disclosed assets and liabilities as held for sale.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for year ended March 31, 2020 and corresponding year March 31, 2019

	31-03-2020 ₹ Lakhs	31-03-2019 ₹ Lakhs
Total Income	33,610.04	31,006.00
Total Expenses	(29,976.00)	(30,191.00)
Profit before tax	3,634.04	815.00
Tax expense	419.08	(112.00)
Profit from discontinued operations	4,053.12	703.00
Other comprehensive income from discontinued operations		
Remeasurement of the defined benefit plans	(115.41)	0.99
Tax expense	13.92	(0.50)
Other comprehensive income from discontinued operations (net of tax)	(101.49)	0.49
Net cash inflow from operating activities	4,288.56	4,584.81
Net cash inflow / (outflow) from investing activities	890.00	(652.00)
Net cash inflow / (outflow) from financing activities	-	-
Net cash generated from discontinued operations	5,178.56	3,932.81

(c) Details of the sale of Business Unit – Additives

The carrying amounts of assets and liabilities as at the date of sale 31st December 2019 were:

	31-12-2019 ₹ Lakhs
Property, Plant & Equipment	10.25
Trade receivables	586.31
Inventories	532.20
Other assets	24.64
Total assets	1,153.40

Notes forming part of the financial statements for the year ended March 31, 2020

	31-12-2019 ₹ Lakhs
Trade Payables	551.44
Employee benefit obligations	65.65
Other liabilities	4.65
Total liabilities	621.74
Net assets	531.66

(d) 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 discontinued operation as at 31 March 2020:

	31-03-2020 ₹ Lakhs
Assets classified as held for sale	
Property, Plant & Equipment	7,596.54
Right-of-use assets	257.76
Trade receivables	3,707.96
Inventories	3,792.46
Other assets	4,085.46
Total assets of disposal group held for sale	19,440.18
Liabilities directly associated with assets classified as held for sale	
Trade Payables	3,986.59
Deferred tax liabilities (net)	363.55
Other liabilities	1,111.25
Total liabilities of disposal group held for sale	5,461.40

The cumulative foreign exchange losses recognised in other comprehensive income in relation to the discontinued operation as at March 31, 2020 were Nil

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.

Notes forming part of the financial statements for the year ended March 31, 2020

Segment Assets and liabilities	31-03-2020			31-03-2019		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
Segment liabilities	20,162.21	335.51	20,497.72	19,803.92	-	19,803.92
Unallocated corporate liabilities	-	-	3,245.73	-	-	3,763.22
Total liabilities			23,743.45			23,567.14
Capital Employed	35,796.79	164.12	51,161.98	35,584.90	1,028.65	45,194.69
Discontinued operation						
Segment assets	19,440.18	-	19,440.18	20,690.00	-	20,690.00
Unallocated corporate assets	-	-	-	-	-	-
Total assets			19,440.18			20,690.00
Segment liabilities	5,461.40	-	5,461.40	4,242.00	-	4,242.00
Unallocated corporate liabilities	-	-	-	-	-	-
Total liabilities			5,461.40			4,242.00
Capital Employed	13,978.78	-	13,978.78	16,448.00	-	16,448.00

(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	31-03-2020			31-03-2019		
	India	Outside India	Total	India	Outside India	Total
External sales from operations						
Continuing Operation	49,913.20	25,814.65	75,727.85	46,584.01	25,290.99	71,875.00
Discontinued Operation	30,143.20	2,579.80	32,723.00	29,755.62	1,178.65	30,934.27
Non-current assets	31,106.68	-	31,106.68	41,869.99	-	41,869.99

(g) Revenues of approximately ₹ 18289.68 Lakhs (31.03.2019 : ₹ 24199.15 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.

44 Following the COVID-19, a Company wide lockdown was announced on March 16, 2020. However, limited production activities were undertaken in line with Government approvals, to meet demand for essentials needed for the fight against the pandemic.

Post lifting of the lockdowns, both partial and complete, the Company has been running production capacities sub-normally bearing in mind safety of its workforce and demand for its products. Production, dispatches, sales and account receivables have been affected but is improving.

Notes forming part of the financial statements for the year ended March 31, 2020

An assessment conducted on the recoverability of the carrying value of assets such as property, plant and equipment, inventory, trade receivable, investment and other current assets as at Balance Sheet date concludes that there is no material impact of COVID-19 thereon. Further, an assessment of the Company's capital, financial resources, liquidity positions, ability to service debt and other financing arrangements for the next one year, indicates financial stability.

An evaluation of impact of COVID-19 on internal financial controls over financial reporting concluded that there is no impact of COVID-19 thereon.

There is no materially adverse impact of COVID-19 on the financial statements/results of the Company for the financial year ended March 31, 2020.

45 The figures for the previous year have been regrouped/recasted wherever necessary, to conform to the current year classification.

In terms of our report attached

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

Arvind Daga
Partner
Membership No. 108290

Mumbai, 17th June, 2020

For and on behalf of the Board,

K. Handa Chairman
DIN:00056826

Dr. I. Shahani Director
DIN:00112289

A. Agarwal Interim Chief
Financial Officer

Mumbai, 17th June, 2020

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

A. Joshi Company Secretary
Membership No. A22502

FINANCIAL PERFORMANCE 10 Years' Highlights

₹ Million

	Financial Year Ended 31 st March				Financial Year Ended 31 st December					
	2020	2019	2018	2017	##2016	2014	2013	2012	2011	2010
I OPERATING RESULT										
Net Sales	* 7199.2	* 6774.6	9,783.0	9,412.0	10,958.0	10,082.0	12,132.0	10,712.0	9,561.0	9,748.0
Gross Earning Before Depreciation/Impairment and Taxation +	1,153.7	675.7	711.4	757.7	1,237.3	370.6	1,369.8	1,547.1	1,722.0	1,895.1
Profit Before Taxation #	706.3	301.4	334.1	362.9	736.8	11,874.1	2,257.8	1,423.1	3,954.1	1,653.2
Profit After Taxation	507.1	185.6	216.0	244.8	593.7	9,433.2	1,667.7	1,013.0	3,040.4	1,124.2
Equity Dividend	253.9	230.8	115.4	577.1	3,963.3	1,039.8	799.8	733.2	1,599.6	799.8
II FINANCIAL POSITION										
Gross fixed Assets @	2,697.8	3,597.6	3,714.5	3,932.4	4,199.6	5,520.4	4,051.8	4,088.3	3,944.1	3,554.8
Net Fixed Assets @	2,305.4	3,306.0	3,337.3	3,537.6	3,699.0	3,640.9	2,041.7	1,879.7	1,853.8	1,592.4
Investments	812.9	120.7	407.4	1,124.8	739.7	330.1	2,674.0	2,346.5	2,665.1	1,918.4
Net Current Assets	3,389.1	2,722.9	2,501.4	2,066.9	2,255.5	10,187.6	1,100.2	842.8	383.0	159.8
Equity	230.8	230.8	230.8	230.8	230.8	266.6	266.6	266.6	266.6	266.6
Reserves	6,283.2	5,933.5	6,015.3	6,498.4	6,463.5	13,693.6	5,476.9	4,748.5	4,587.7	3,404.4
Shareholders' Fund	6,514.0	6,164.3	6,246.1	6,729.2	6,694.3	13,960.2	5,743.5	5,015.1	4,854.3	3,671.0
Loans and Deferred Payment Credits			-	-	-	94.5	-	-	2.0	10.5
Capital Employed	6,514.0	6,164.3	6,246.1	6,729.2	6,694.3	14,054.7	5,743.5	5,015.1	4,856.3	3,681.5
III PER EQUITY SHARES										
Earning ₹ #	21.96	8.05	9.36	10.61	23.42	353.82	62.55	38.00	114.04	42.16
Interim & Proposed Dividend	11.0	10.0	5.0	25.0	150.0	39.0	30.0	27.5	60.0	30.0

After exceptional items.

+ Before exceptional items.

@ Include capital advance

* Continuing operation

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

CLARIANT CHEMICALS (INDIA) LIMITED

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