

July 13, 2021

<p>To, <b>The Bombay Stock Exchange Limited</b> Corporate Relationship Department 1<sup>st</sup> Floor, New Trading Ring Rotunda Building, P. J. Towers Dalal Street, Mumbai - 400 001 Scrip: <b>506390</b> E-mail: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a></p>	<p>To, <b>The National Stock Exchange of India Limited</b> Listing Department, Exchange Plaza 5<sup>th</sup> floor, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Scrip: <b>CLNINDIA</b> E-mail: <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a></p>
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**Sub.: Notice of the 64<sup>th</sup> AGM to be held on August 12, 2021**

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 64<sup>th</sup> Annual General Meeting of the members of Clariant Chemicals (India) Limited will be held at 4:00 p.m. on Thursday, August 12, 2021, through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”).

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 6, 2021 to Thursday, August 12, 2021 (Both Days Inclusive).

In continuation to our letter dated May 19, 2021 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 17, 2021:

- 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 5, 2021;
- 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 5, 2021.

The Annual Report of the Company along with the Notice of the 64<sup>th</sup> Annual General Meeting is enclosed herewith for your reference and record. Kindly take the same on record and acknowledge the receipt.

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

**Amee Joshi**  
Company Secretary

Encl.: As above

# Annual Report 2020-21 CLARIANT CHEMICALS (INDIA) LIMITED





## Generating Value FOR STAKEHOLDERS

Clariant is focused on accelerating business growth and generating value for all our stakeholders. This year's cover image highlights our efforts in two core focus areas of growth and sustainability. The past year has thrown challenges at us like never before, and we demonstrated that we were up for the task.

We successfully upheld profitability despite an exceedingly challenging environment, especially in light of the COVID-19 global pandemic. The business managed not just to endure the ever-changing demands during these difficult times but also came out with flying colors in ensuring customer delight! The progress we have made clearly validates our resilient operating model and the success of our strategic focus.

We remain dedicated to increasing shareholder value through innovation and towards our commitment to being part of a sustainable world. Our initiatives in these areas are impactful and often pioneering, which distinguishes Clariant and makes us stand apart!

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# Board of DIRECTORS



**KEWAL HANDA**  
Chairman



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



**SUNIRMAL TALUKDAR**  
Director



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



**SANJAY GHADGE**  
Director



**ALFRED MUENCH**  
Director



**THOMAS WENGER**  
Director

**CHIEF FINANCIAL OFFICER (INTERIM)**  
Ashish Agarwal

**COMPANY SECRETARY**  
Amee Joshi

**AUDITORS**  
MSKA & Associates

**BANKERS**  
Standard Chartered Bank  
Citibank N.A.

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

**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

# Discovering Value in India



## SOLUTINT™ E PIGMENT PREPARATIONS FOR HASSLE-FREE PAINT MANUFACTURING

Pigment grinding is a very crucial step in paint manufacturing. The paint's coloristic as well as rheological properties highly depend upon the efficiency of the grinding process. Apart from being a time-consuming procedure, it involves ensuring high operational safety as it based on solvents.

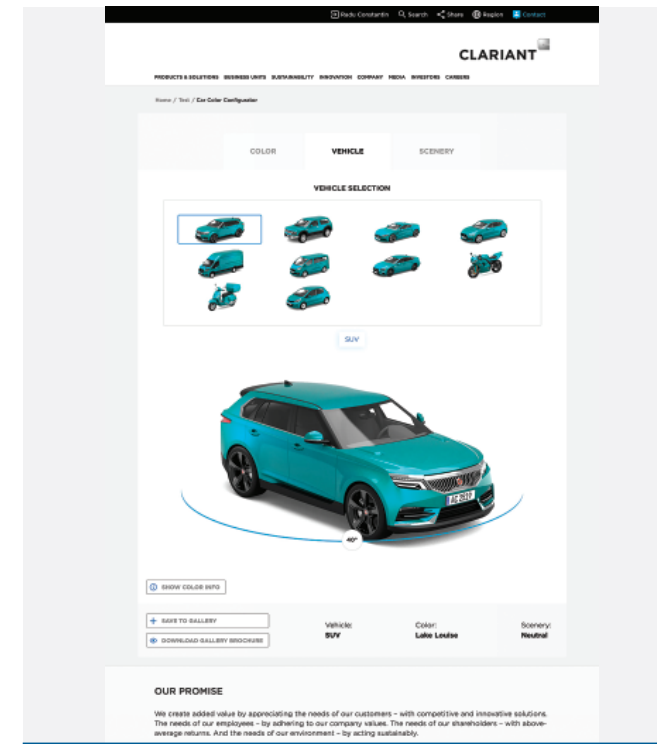
Clariant constantly aims at improving product safety, minimizing their environmental impact, and supporting our customers with similar endeavors. **Solutint E Pigment Preparations** are ready-to-use, solvent based, lead-free pigment preparations developed specially for long and medium oil alkyd paints. With the use of these preparations, paint is prepared by merely mixing various ingredients thus saving time. As a result, paint manufacturers can respond faster to the volatile market/consumer demands. These preparations help coating manufacturers not just in reduced paint manufacturing time but also in reduced production cost. Use of Solutint E Pigment Preparations in the paint manufacturing process also results in improved environmental impact (sustainability) as cleaning is reduced substantially after batch processing.



## DUASYN® SUPER GRANS FOR DETERGENT FABRIC POWDER TO IMPROVE FABRIC WHITENESS

Laundry detergents – an essential item in every household have undergone commoditization over the years. For an Indian consumer, the major decision-making factor behind choosing a detergent is invariably the ‘improved whiteness or brightness’ (for white or colored fabrics respectively). Such detergents also need to be effective yet gentle against dirt or grime deposition on clothes, a typical phenomenon in Indian conditions.

Clariant has developed a unique solution – a special range of **Duasyn Super Granules** – to offer whiter, brighter clothes after the very first wash. The granules manufactured using the patented Encapsulation Technology, add these functional features to detergent powders. The product is versatile - it can be used across all fabric types like cotton, polyester, viscose and even their blends. These granules help save water as they eliminate an additional step of adding liquid blue to impart whiteness or brightness to the fabric. Even after repeated washes, using detergents with Duasyn Super Grans, discoloration or dullness of fabrics is avoided. Also, our strong arm of Product Stewardship ensures compliance with the environment friendliness of the dyes encapsulated in these granules.



## DIGITAL COLOR FORWARD IN AUTO STYLING SHADES

For the first time ever, Clariant launched a digital version of the **Automotive Trendbook 2025** along with a brand-new online and interactive tool called **Car Color Configurator**. This tool offers customers a collection of 28 new trend shades for automotive coatings. With the launch of this cutting-edge tool, Clariant has combined its pigments and color formulation expertise with trend scouting and made these shades available digitally.

Pushing the boundaries of traditional formulation knowledge, Clariant's organic pigments are helping to solve some of the coating formulation challenges posed by new, disruptive technologies. These include improving the near infrared reflectance to make dark cars detectable by LIDAR technology, essential for the safety of autonomous vehicles, or the formulation of brilliant shades when metallic effect pigments are combined with colored organic pigments.

Visit <http://www.clariant-virtualshowroom.com/> and experience the unique virtual showroom!



## NEXT GENERATION ORGANIC OPAQUE PIGMENTS

Traditional organic pigments have always had a problem of opacity. This is one of the major hurdles for a formulator when matching a color closest to Pb-Cr (Lead-Chromium) based shade. Also, the perils of Pb-Cr based formulation are common knowledge now. Lead poisoning remains as a major global issue. Lead released into the environment makes its way into the air, soil, and water. It can remain indefinitely in the environment as dust. Plants exposed to lead can absorb the metal dust through their leaves and take minimal amounts of lead from the soil. Human beings as well as animals are directly exposed to lead through ingestion and inhalation.

Replacement of Pb-Cr in the formulations is one of the top priorities in the industry. To address the Pb-Cr replacement, many a times the formulator must take a route of blending lead free organic and inorganic pigments to achieve target shades. But many a times they must compromise on the paint's hiding power – its opacity.

Clariant understood this formulation challenge and introduced an innovative solution called **Next Generation Organic Opaque Pigments**. These pigments provide the freedom to design colors that are eco-friendly, without compromising their opacity. This innovation also has better weathering performance for Pb-Cr based formulation. We have planned the first pilot lot production of 2 pigments, Permanent Yellow Y2G 90-IN and Y2R 90-IN, at our Roha plant. We will be launching more pigments in this new innovative range.

# Clariant in India COMMUNITY SERVICE

Our CSR teams engaged in some key outreach activities and went out of their way to support the community. The pandemic did not slow down the pace of our team; rather it has reinforced our commitment towards the local communities. We look forward to many more engaging and meaningful projects in the future.

We continue to focus on our 3 Pillar CSR strategy to support the community:

**CHEM X**

Promote excellence in Chemistry (ChemX)



Extend the safety and health priority to the Community (Suraksha Dhaal)

**Janani Pathshala**

Educate and empower the women/girls (Janani Pathshala) to address local concerns with a far-reaching impact

## CUDDALORE

- Provided infrastructure for distribution of clean drinking water by laying underground pipeline at 11 identified spots in Kudikadu village
- Donated school desks and benches, 12 each, to Zilla Parishad School, Kudikadu
- To encourage the local youth to participate in sports, the site set-up a gymnasium with required exercise material & accessories in nearby village
- A Sewing Training Centre for the women of Kudikadu village was set-up. A community hall was revamped and a fully equipped and functional Training Centre with 7 sewing machines, sewing tools, cutting table, sitting stools and other required accessories was set-up



## NAGDA



- Classroom & flooring revamped at Government School for Girls, Bhadla village and at Uchakhedi School for Girls
- Provided water cooler to the Government School in Runkheda village. The summer temperature reaches over 40°C and the water cooler was much needed for the 250 students & teachers of the school



- Provided 20 classroom benches for students of the Government School at Nareli Pada
- Supported the Government School, Makala with water tank, wash basin and plumbing work



- One classroom in Nandvasala village school revamped
- Revamped one classroom and provided water cans, ceiling fans, cotton carpets & steel cupboards to Sanashala Government School

## ROHA

- 5 cement benches were donated for community use at Malsai village
- 6 mobile toilets with biodigester tanks have been procured for distribution in nearby villages



- Handed over science laboratory chemicals to Dr. Nanasahab Dharmadhikari Arts, Science & Commerce College. The college authorities were very appreciative of Clariant for the regular and long-term support extended to them by means of various guest lectures, organizing exhibitions and industrial visits for the students



- Six sewing machines were handed over to women from Janshobha Mahila Bachat Gat. The beneficiaries were from the nearby villages around the site

Continuing this women empowerment activity further, additional 45 sewing machines were donated to necessitous women around the site

- Organized a special science festival in collaboration with Science Utsav, a science enthusiast group, to develop scientific temperament among young students of a local Zilla Parishad School

# Clariant in India REACHING OUT TO THE COMMUNITY DURING COVID TIMES

The COVID-19 pandemic continues to transform our lives in ways we could not have imagined, be it at our places of work or in our personal lives. The Clariant team has been actively involved with the local authorities & communities; supporting them through various COVID relief related outreach programs. This year Clariant Chemicals (India) Ltd contributed over ₹ 300,000/- towards the PM Cares Fund, in addition to the local outreach programs.

We truly appreciate the tremendous efforts put in by our teams despite the challenges they faced. Together, we should focus on keeping ourselves, our families & our communities safe, through social distancing, wearing of masks and continuously maintaining good hygiene.



## ROHA

- Local governmental authorities were supported with 4000 litres of Sodium Hypochlorite solution (disinfectant) and 100 hand sprayer pumps for disinfection of nearby villages. Additionally, 2300 litres of liquid hand wash and 500 surgical masks were also handed over
- Monetary support for the local COVID Care Centre through Roha Industries Association from July to December 2020
- Handed over 300 disposable PPE gowns and shoe covers to Roha Sub-District Hospital
- Handed over liquid hand wash soap to the District Collector of Raigad
- Distributed pulse oximeters to the COVID warriors in the vicinity
- An ambulance was provided to the Roha Sub-District Hospital for transportation of COVID swabs testing samples
- As a gesture of appreciation towards the police, daily refreshments were provided to the on-duty staff at the local Police Station



## CUDDALORE

- Continued support with supply of Sodium Hypochlorite solution (disinfectant) to the Cuddalore District Administration and to various Block Development Officers in the district

# Clariant in India AWARDS

Responsible Care (RC) is an integral part of Clariant in India's strategy and its principles are defined in our Corporate Sustainability Policy, Code of Ethics and India ESHA Policy. We are committed to complying with local and international laws and standards; protecting people and the environment; ensuring responsible management of chemicals; and driving the systematic development of innovative and sustainable products and services. Clariant regularly communicates its sustainability goals and activities through various platforms, while understanding stakeholders' concerns and meeting their expectations.



Clariant Chemicals (India) Ltd was awarded the Indian Chemical Council's Aditya Birla Award for the Best Responsible Care Committed Company for the year 2019-2020. The award was accepted by Adnan Ahmad, VC&MD, Clariant Chemicals (India) Ltd.



The Confederation of Indian Industry (CII) - Southern Region aims to inspire processes to evolve towards excellence in EHS (Environment, Health & Safety) Management & to recognize companies that successfully achieve EHS excellence. For more than a decade, it has been awarding the prestigious "Excellence Award in Environment, Health & Safety" to companies that excel in EHS practices and its implementation. For the Ratings Award 2020, a total of 173 organizations were assessed and awarded Star Ratings based on the evaluation scores. This is a continuous assessment indicator with the highest award being 5 Star Rating.

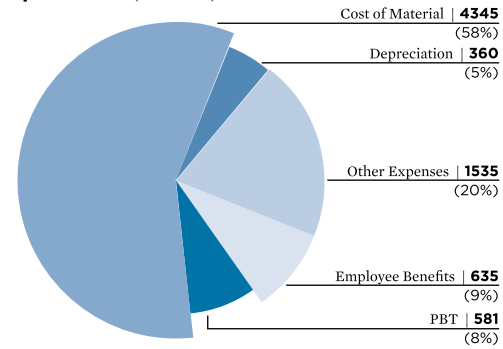


The Pigments Cuddalore site received two EHS Excellence Awards for the year 2020.

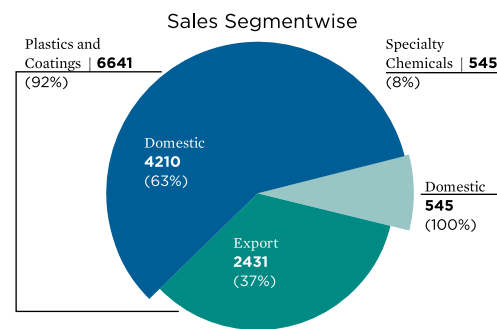
- 5 Star rating for Excellence in EHS Practices
- Second Place in the Chemical Sector for showcasing EHS leadership

# Financial PERFORMANCE

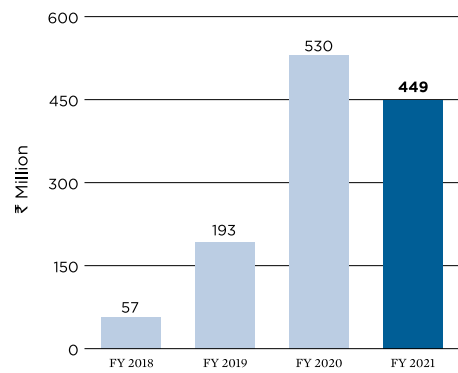
**Distribution of Revenue from continuing operations** (₹ Million)



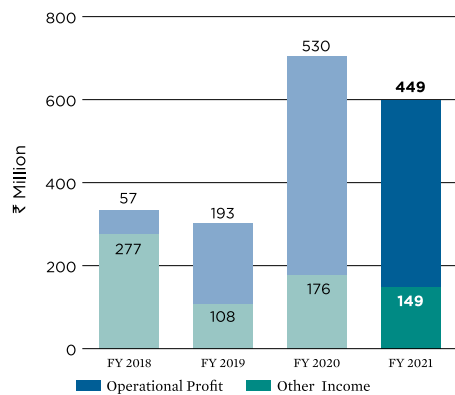
**Composition of Sales from continuing operations** (₹ Million)



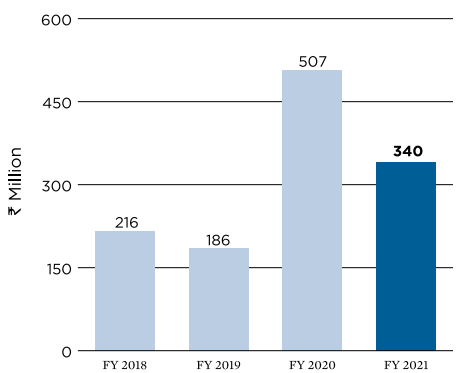
**Operational Profit before tax from continuing and discontinued operations**



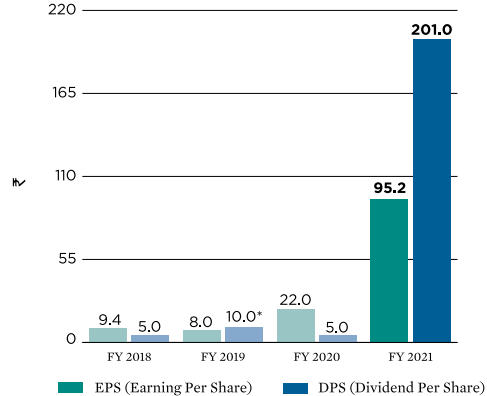
**PBT split from continuing and discontinued operations**



**Operational PAT from continuing and discontinued operations**



**EPS and DPS continuing and discontinued operations**



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

## NOTICE

**NOTICE** is hereby given that the **Sixty Fourth** Annual General Meeting of the Company ('AGM') will be held at 4:00 p.m. on Thursday, August 12, 2021, 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, 2021, together with the Reports of the Directors and Auditors thereon.
- To confirm the declaration and payment of Interim Dividends and to declare Final Dividend on Equity Shares for the Financial year 2020-21.
- To appoint a Director in place of Mr. Alfred Muench (DIN 03092351) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to the provisions of Section 148 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. RA & Co., Cost Accountants, re-appointed as Cost Auditors for the Financial year 2021-22 to conduct audit of Cost Accounts of the Company be hereby paid the Fees of ₹ 2.60 Lakhs plus service tax and reimbursement of out of pocket expenses at actuals."

**For and on Behalf of the Board**

**Amee Joshi**  
Company Secretary  
ACS 22502

Date: May 19, 2021

**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 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 2021-22, at a remuneration of ₹ 2.60 Lakhs per annum exclusive of service tax and out of pocket expenses, to be reimbursed at actuals.

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

The Board recommends the passing of resolution as set out at Item no. 4 as an Ordinary Resolution.

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

**For and on Behalf of the Board**

**Amee Joshi**  
Company Secretary  
ACS 22502

Date: May 19, 2021

**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 COVID19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its Circular No. 02/2021 dated January 13, 2021, read with Circular No. 20 dated May 5, 2020, 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 statement pursuant to Section 102 of the Companies Act, 2013 for the business set out under Item No. 4 is annexed to the Notice.
- Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote thereat instead of himself, on a poll. However, this AGM is being held, pursuant to the MCA Circulars, through VC/OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [clariantscrutiniser@gmail.com](mailto:clariantscrutiniser@gmail.com) with copies marked to the Company at [investor.relations.India@clariant.com](mailto:investor.relations.India@clariant.com) and to the Registrar and Transfer Agents at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 6, 2021 to Thursday, August 12, 2021 (Both Days Inclusive).
- The details of Directors seeking appointment/reappointment at this Annual General Meeting as required under Regulation 36 of the 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 17, 2021:
  - 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 5, 2021;
  - 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 5, 2021.
- Pursuant to the 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, 2021 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](mailto:clariantdivtax@linkintime.co.in) on or before 11:59 p.m. IST on August 12, 2021. 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](mailto:clariantdivtax@linkintime.co.in). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on August 12, 2021. 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.

For further details and formats of declaration, please refer to Notes on Taxation of Dividend Distribution available on the website of the Company at [www.clariant.com](http://www.clariant.com).

- The amount outstanding in the unpaid dividend account in respect of Interim Dividend for the Financial year 2014 will be transferred to Investor and Education Protection Fund after August 23, 2021. Members who have still not claimed/encashed their dividends are requested to claim/encash the same at the earliest.
- Change of particulars including address, bank mandate & nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his demat account. The Company or its Share Transfer Agent will not be able to act on any direct request from these Members for change of such details. However, for any change in particulars in respect of shares held in physical form should be sent to the Registrar & Share Transfer Agents of the Company i.e., Link Intime India Private Limited at following address:
 

Link Intime India Private Limited  
C 101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai, Maharashtra, 400 083
- As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed Companies can be transferred 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.

12. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to [investor.relations.India@clariant.com](mailto:investor.relations.India@clariant.com) on or before August 6, 2021.

13. Members are requested to register their E-mail address with the Company/Registrar & Transfer Agents so as to receive Annual Report and other communication electronically.

14. In compliance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020 and January 15, 2021, Notice of the Annual General Meeting along with the Annual Report for the Financial year 2020-21 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 2020-21 will also be available on the Company's website [www.clariant.com](http://www.clariant.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively, and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in/>

15. 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.

16. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.

17. Instructions for e-voting and joining the AGM are as follows:

Pursuant to the Circular, dated December 9, 2020, issued by the SEBI on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can only vote through their demat account maintained with Depositories and Depository Participants post June 9, 2021.

Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility.

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

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

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

Type of shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; e-Voting Service Provider is LINKINTIME</b>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ol style="list-style-type: none"> <li>Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -           <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> 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.</li> <li><b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ol> <p>* Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio Number in ‘D’ above</p> </li> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click “confirm” (Your password is now generated).</li> </ol> </li> <li>Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> <li>After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option ‘<b>Favour / Against</b>’ (If you wish to view the entire Resolution details, click on the ‘<b>View Resolution</b>’ file link).</li> <li>After selecting the desired option i.e. Favour / Against, click on ‘<b>Submit</b>’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘<b>Yes</b>’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol>
<b>Institutional shareholders:</b>	Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> and register themselves as ‘ <b>Custodian / Mutual Fund / Corporate Body</b> ’. 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 ‘ <b>Custodian / Mutual Fund / Corporate Body</b> ’ login for the Scrutinizer to verify the same.

Type of shareholders	Login Method
<b>In case the Individual Shareholders, holding securities in Physical mode &amp; e-Voting service Provider is LINKINTIME, have forgotten the password:</b>	<ul style="list-style-type: none"> <li>Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'</li> <li>Enter <b>User ID</b>, select <b>Mode</b> and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.</li> <li>In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.</li> <li>Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.</li> <li>The password should contain minimum 8 characters, at least one special character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter.</li> </ul>
<b>In case Individual Shareholders, holding securities in demat mode with NSDL/ CDSL, have forgotten the password:</b>	<ul style="list-style-type: none"> <li>Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.</li> <li>It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</li> <li>For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.</li> <li>During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".</li> </ul>

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

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

#### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-Voting Service Provider is LINKINTIME

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

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

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

Shareholders/Members are entitled to attend and participate in the Annual General Meeting through VC/OAVM provided by Link Intime India Private Limited, Registrar & Transfer Agents of the Company by following the below mentioned process:

- Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and shall be kept open till the expiry of 15 minutes after the schedule time on first come first basis.
  - Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first come first basis. Participation is restricted upto 1000 members only.
  - Shareholders/Members will be provided with 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: -
- Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.
    - Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

- Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/members holding shares in physical form shall provide Folio Number registered with the Company
- PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
  - Mobile No.:** Enter your mobile number.
  - Email ID:** Enter your Email ID, as recorded with your DP/Company.

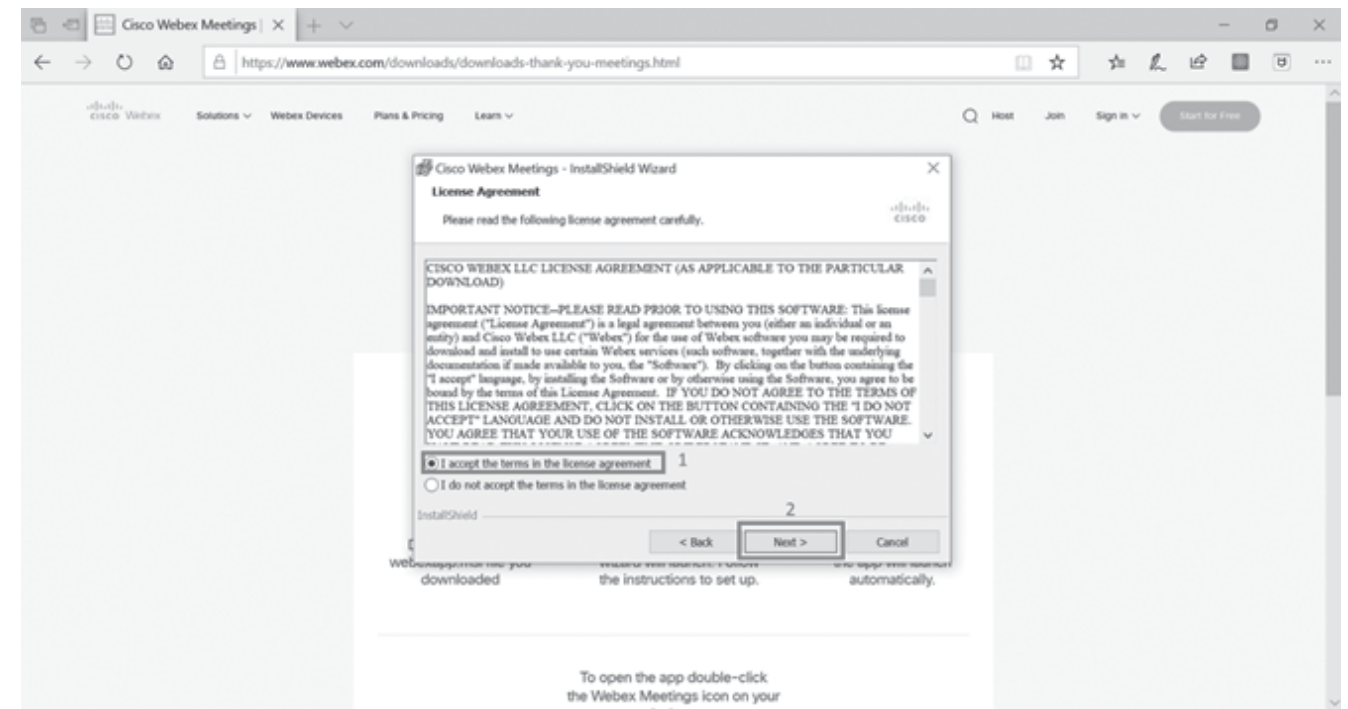
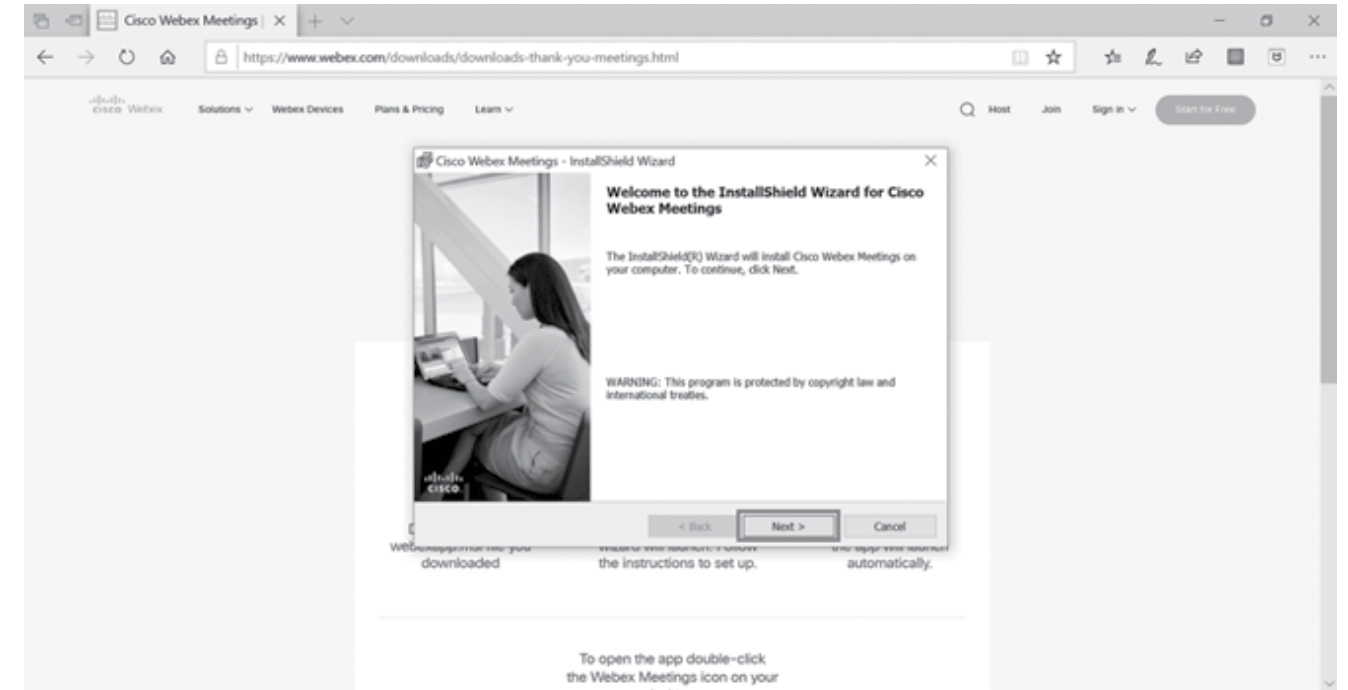
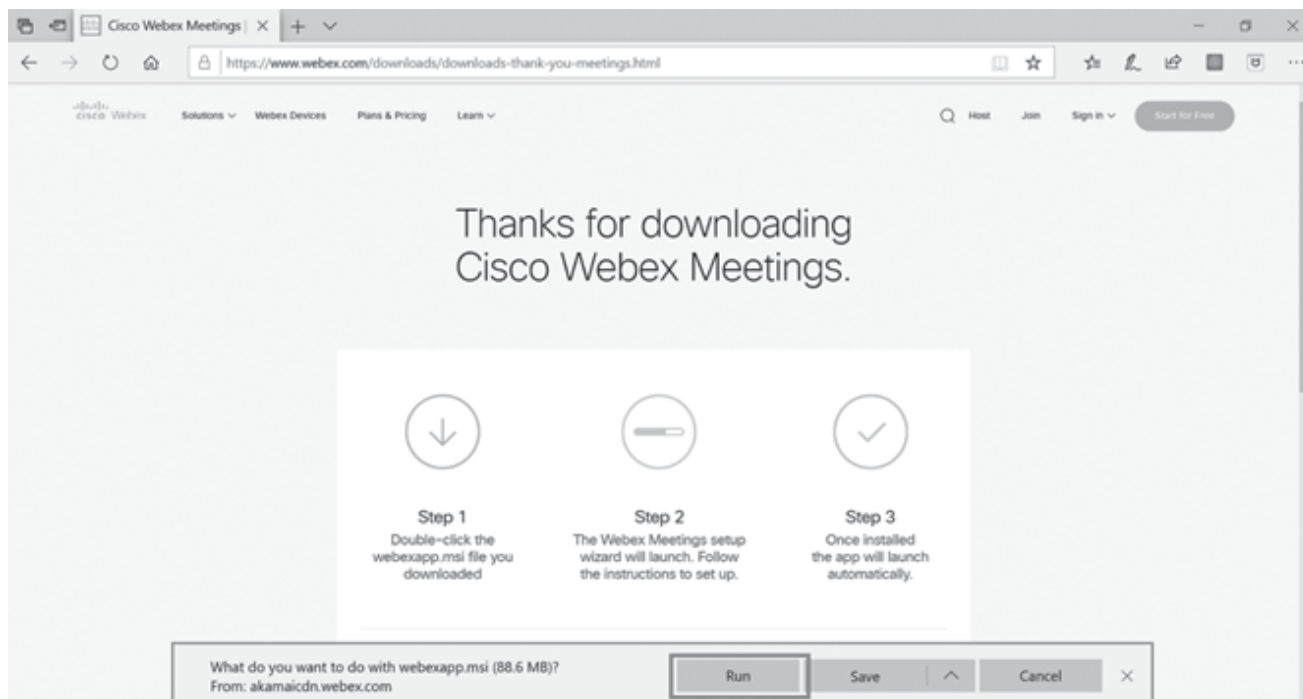
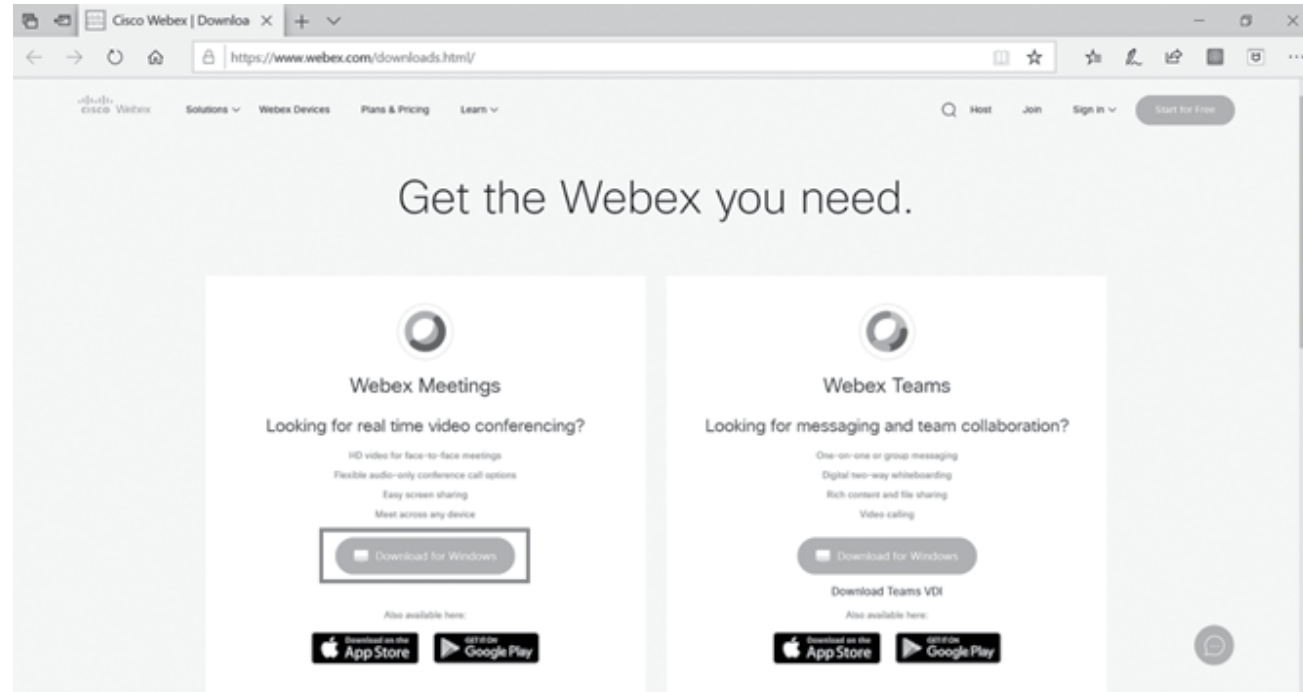
Click 'Go to Meeting' (You are now registered for InstaMeet and your attendance is marked for the meeting).

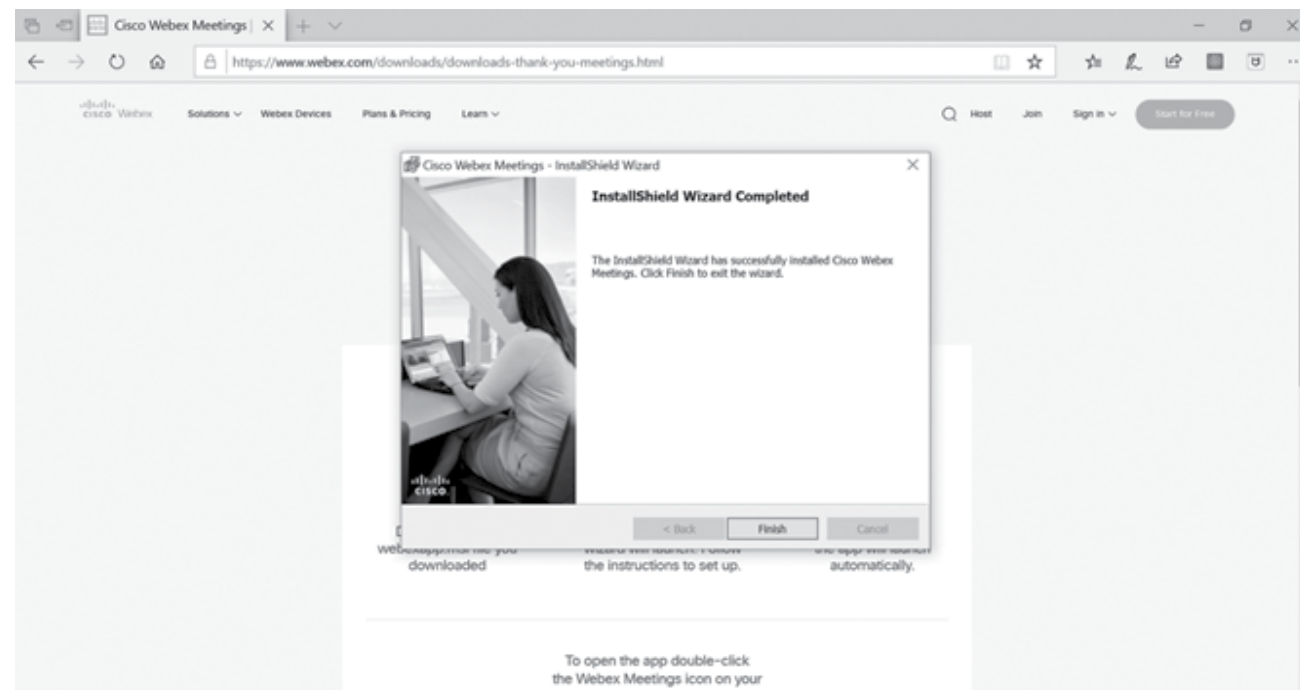
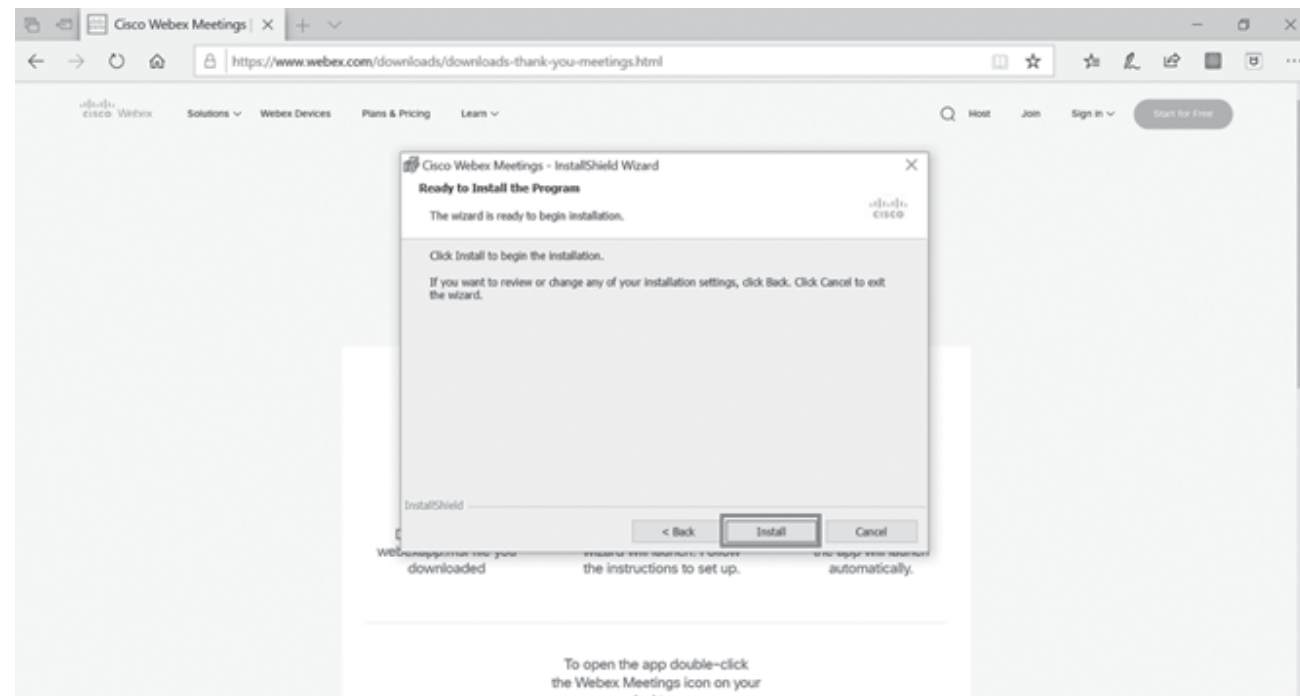
Please refer the instructions (below) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on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





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](mailto:investor.relations.India@clariant.com) from Monday, August 2, 2021 to Friday, August 6, 2021.
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](mailto: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](http://www.clariant.com)

#### PARTICULARS OF DIRECTOR 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

<b>Name of Director</b>	<b>Mr. Alfred Muench</b>
Type	Non-Executive Director
Date of Birth	24/06/1960
Date of Appointment	26/04/2011
Qualification	Attorney at Law from Basel University.
No. of Equity Shares held	NIL
Expertise in Specific Functional area	Expertise in Legal and Business Administration.
Directorships held in other Listed Companies	NIL
Particulars of Committee Chairmanship/Membership held in other Listed Companies	NIL
Relationship with other Directors inter-se	None

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

#### IMPORTANT DATES AT A GLANCE

Sr. No.	Particular	Dates
1.	Window for registration as Speaker during the AGM	August 2, 2021 to August 6, 2021
2.	Cut-Off date for e-Voting	August 5, 2021
3.	Record Date for Dividend Payment	August 5, 2021
4.	Request for information relating to accounts and operations of the Company	August 6, 2021
5.	Book Closure	August 6, 2021 to August 12, 2021 (Both Days Inclusive)
6.	e-Voting period	August 9, 2021 (09:00 a.m.) to August 11, 2021 (05:00 p.m.)
7.	Date of AGM	August 12, 2021
8.	Last date for submission of Tax related documents	August 12, 2021
9.	Dividend payment date, if declared	On or after August 17, 2021

## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the 64<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the Year ended March 31, 2021.

### 1. Financial performance of the Company

Particulars	₹ in Lakhs	
	Year ended 31.03.2021	Year ended 31.03.2020
Sales	<b>68,841.61</b>	71,991.97
<b>Profit before tax from continuing operations</b>	<b>5,807.52</b>	3,429.04
<b>Exceptional Item</b>	<b>25,479.88</b>	-
Less : Tax expenses (Incl. deferred tax)	<b>9,420.73</b>	1,573.49
<b>Profit after tax from continuing operations</b>	<b>21,866.67</b>	1,855.55
<b>Profit before tax for discontinued operations</b>	<b>170.81</b>	3,634.04
Less : Tax expenses (Incl. deferred tax)	<b>61.04</b>	419.08
<b>Profit after Tax for discontinued operations</b>	<b>109.77</b>	3,214.96
Add : Balance brought forward from previous period	<b>50,785.33</b>	47,379.38
Amount available for appropriation	<b>72,761.77</b>	52,449.89
<b>Appropriations</b>		
Dividend (including interim and final)	<b>46,394.41</b>	1,154.09
Corporate tax on dividend	-	237.23
Other comprehensive income (OCI)	<b>49.76</b>	300.00
Transferred to retained earnings	-	(26.76)
<b>Balance carried forward to the balance sheet</b>	<b>26,317.60</b>	50,785.33

### 2. Review of operations

The Company's continued operations reported sales for the year ended March 31, 2021 of ₹ 68,841.61 lakhs as against ₹ 71,991.97 lakhs for the previous year ended March 31, 2020. The Company recorded a decline in sales by 4.4%. Of the total sales revenue for the year under review, 35% is contributed by exports.

Following the COVID-19, a country wide lockdown was announced on March 16, 2020. However, limited production activities were undertaken in line with the Government approvals, to meet demand for essentials needed for the fight against the pandemic. The Company has resumed operations in a phased manner in line with directives from the authorities and during the quarter ended September 30, 2020 operations have gradually come back to normalcy, though challenges exists.

An assessment conducted by the Management 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.

While, the Management of the Company does not expect any material impact to arise due to pandemic, the actual impact may differ from that estimated as at the date of approval of this Annual Report. The Company will continue to closely monitor any material change in future economic conditions due to COVID-19.

### 3. Dividend

The Board of Directors are pleased to recommend a Final Dividend of ₹ 15 /- per share (150 %). The Final Dividend entails cash outflow of ₹ 3,462 Lakhs and a payout of 15.75 % of Profit for the year ended March 31, 2021. The total dividend for the period under review amounts to ₹ 205 /- per share (2,050 %) (Including Interim Dividend of ₹ 140/- per share and ₹ 50/- per share declared on July 11, 2020 and February 12, 2021, respectively) as compared to ₹ 11/- per share (110 %) paid for the previous year.

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

### 4. Sale of Masterbatch Business

In accordance with the approval granted by the Board of Directors and the Shareholders pursuant to the provisions of Section 179 and Section 180(1)(a) of the Companies Act, 2013 and as per the Valuation Report of M/s Ernst & Young along with the Fairness report from M/s BDO, the Company sold 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 for a consideration of ₹ 412.99 Crore, effective from July 1, 2020. The profit on sale of Masterbatch business amounting to ₹ 254.80 Crore is shown under Exceptional Item.

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.

### 5. Corporate Governance, Management Discussions and Analysis Report & Business Responsibility Report

The Company is committed to compliance standards, ensuring checks and balances between the Board and Management, as well as a sustainable approach to create value for all stakeholders. As stipulated under 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 and Business Responsibility Report are annexed herewith and forms part of this Annual Report.

### 6. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

During the year under review, there has been no such significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### 7. Material changes between the date of the Board Report and end of Financial year

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

### 8. Subsidiary Company

As on March 31, 2021, the Company does not have any subsidiary.

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

During the year under review, Mr. Kewal Handa and Mr. Sunirmal Talukdar have been re-appointed as Independent Directors of the Company for a second term of 5 consecutive years. The shareholders of the Company have approved the said re-appointment by passing respective Special Resolutions via Postal Ballot on March 27, 2021.

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

The above re-appointment forms part of the Notice of the 64<sup>th</sup> Annual General Meeting and a Resolution is recommended for your approval.

The brief profile of Mr. Alfred Muench, covering details of his qualification and experience, as required pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India is annexed to the notice of this Annual General Meeting.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and 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.

### 10. Audit Committee

The details on the composition, meeting, attendance, etc. of the Audit Committee are provided in the Corporate

Governance section of the Annual Report. The Board has accepted all the recommendations of the Audit Committee during the Financial year under review.

#### 11. Number of meeting of the Board

During the year under review, the Board of Directors met 5 times on June 17, 2020, July 11, 2020, August 14, 2020, November 12, 2020 and February 12, 2021.

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

As required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information and data for the year ended March 31, 2021 are annexed to this report as 'Annexure A'.

#### 13. Corporate Social Responsibility

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

Name	Category
Dr. (Mrs.) Indu Shahani	Chairperson 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](http://www.clariant.com). A detailed report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as 'Annexure B' forming part of this report.

#### 14. Nomination and Remuneration Policy

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

#### 15. Board Evaluation and Familiarization programme

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

Regulations, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board/Committee Governance. The Board have reviewed the performance of the individual Directors and the Chairman. The manner in which the evaluation has been carried out is stated in the Corporate Governance Report.

The details of programme for familiarization of the Independent Directors of your Company is available on the Company's website at [www.clariant.com](http://www.clariant.com).

#### 16. Particulars of Employee

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

The statement of particulars of employees pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. However, pursuant to proviso to Section 136 (1) of the Companies Act, 2013, the report and accounts are being sent to members excluding this statement of particulars of employees. Any member interested in obtaining a copy of this statement, may write to Company Secretary at [investor.relations\\_India@clariant.com](mailto:investor.relations_India@clariant.com).

#### 17. Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the year ended March 31, 2021, 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, 2021 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;
- 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
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 18. Statutory Auditor & Audit Report

During the year under review, on the recommendation of the Board of Directors and the Audit Committee, the Shareholders of the Company 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 caused by the resignation of M/s. Price Waterhouse Chartered Accountant LLP, for a term of five years starting from the conclusion of 63<sup>rd</sup> Annual General Meeting till the conclusion of 68<sup>th</sup> Annual General Meeting.

M/s. MSKA & Associates, Statutory Auditors, in their Audit report for the Financial year ended March 31, 2021, have commented that the backup of the Books of Accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India. The Company would like to clarify that the Company's SAP is centralized in global Data Centers outside India where the backup storage is maintained. The Company is reviewing the maintenance of backup of SAP data in India as required under Rule 3 of the Companies (Account) Rules, 2014.

#### 19. Cost Audit

The Board of Directors, in pursuance of order under Section 148 of the Companies Act, 2013, re-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 2021-22, subject to approval of Central Government, if any. The Cost Audit Report for the 12 months ended March 31, 2020 has been filed on due date.

#### 20. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s J. R. Ahuja & Co., Company Secretary, as Secretarial Auditor to carry out the secretarial audit for the Financial year 2020-21.

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

#### 21. Internal Financial Controls and their Adequacy

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

#### 22. Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 as on March 31, 2021, is available on Company's website at [www.clariant.com](http://www.clariant.com).

#### 23. Risk management policy

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

Pursuant to recent amendments in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have constituted the Risk Management Committee on May 19, 2021. Further details of this implementation are provided in the Corporate Governance Report forming part of this Annual Report.

#### 24. Related Party Transactions

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

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



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

## 25. Particulars of loans, guarantees or investments

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

## 26. Public Deposits

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

## 27. Vigil Mechanism

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

## 28. Prevention of Sexual Harassment of Women at Workplace

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no complaints received for sexual harassment of women at workplace.

## 29. Constitution of Internal Complaints Committee

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

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

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

## 31. Acknowledgement

The Board of Directors wish to place on record its sincere appreciation for the support received from its stakeholders including shareholders, bankers, distributors, suppliers and business associates. The Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees that ensured sustained performance in a challenging business environment. 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, May 19, 2021

# 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 reduction by adopting cross wash technique and conductivity controls
  - Recycling of filter press water, wherever possible
  - Re-cycling of treated waste-water for various applications such as - Plant floor washing, Scrubber system, Drum washings, Lime solution preparation etc
  - Rainwater harvesting pond water used for gardening purpose
  - Condensate water recovery and reuse enhanced
  - Use of low quantity and high-pressure water for changeover
  - Reconditioning of cooling towers to reduce losses
- Steam consumption optimized by
  - Periodical maintenance of steam network and replacing of steam traps
  - Studying and optimizing drying parameters for higher through-put
  - Regular Steam/Air Audits
  - Continued use of Bio Diesel as fuel in place of Diesel for Dryers, which resulted in environment benefit and also cost
- Utilities consumptions optimized by reducing BCT and increasing batch sizes in various products.
- Ice consumption optimized.
- Electricity consumptions optimized by
  - Use of super slick against conventional AODD pumps
  - Use of transparent roof sheets for natural lights
  - Timer based controls on various usages
  - Use of VFD's for motors
  - Replaced conventional lights by energy efficient LED lights across site- Plants & offices
  - Old AC's being replaced by latest energy efficient AC and usage at optimized temperatures
  - "Compressed Air audit" Conducted and corrective and preventive actions completed
  - Replaced some of the old motors by energy efficient motors
  - Timer based lighting at various areas
  - Roof sheets damaged by cyclone replaced along with adequate transparent sheets to achieve abundant natural light
  - Timer logic for stirrer operations
- Improved productivity resulting in energy saving:
  - High performance mills to obtain higher through output
  - Optimized batch size wherever possible

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

- Use of transparent roof sheets for abundant natural lights
- Continued use of Bio Diesel as fuel in place of Diesel for Dryers, which resulted in environment benefit and also cost savings

**(iii) Capital investment on energy conservation equipment: ₹ 56.69 Lakhs**

**B. Technology Absorption**

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

- Sustainable Filtration and solvent recovery technology for some products
- Encapsulation Technology - a sustainable solution that is expected to improve product performance and reduce wastage.

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

- Ongoing product development activities for import substitution for critical raw materials and intermediates

- Cost, quality and process optimization of selected pigments
- Sustainable innovative solution developed for treatment of phenolic compounds in processed waste-water.

**(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 ₹ **24,646.48 lakhs** (previous period ₹ 28,455.78 Lakhs).

Foreign Exchange used ₹ **39,519.95 lakhs** (previous period ₹ 20,807.97 Lakhs).

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

<p><b>Kewal Handa</b> Chairman DIN (00056826) Mumbai, May 19, 2021</p>	<p><b>Adnan Ahmad</b> Vice-Chairman &amp; Managing Director DIN (00046742)</p>
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**ANNEXURE B**

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

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

**1. Overview of Corporate Social Responsibility**

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

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.

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

Sr. No.	Name of Member	Position held	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. (Mrs.) Indu Shahani	Chairperson	1	1
2	Mr. Kewal Handa	Member	1	1
3	Mr. Adnan Ahmad	Member	1	1

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

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

4. **Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:** Not Applicable
5. **Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year:** Not Applicable
6. **Average Net Profit of the Company as per Section 135(5):** ₹ 3458.19 Lakhs
7. **Prescribed CSR Expenditure** (2% of the amount as in item 6 above): ₹ 69.16 Lakhs
8. **Surplus arising out of the CSR projects or programmes or activities of the previous Financial years:** Nil
9. **Amount required to be set off for the Financial year:** Nil
10. **Total CSR obligation for the Financial year (7+8-9):** ₹ 69.16 Lakhs
11. **CSR expenditure**

(a) CSR amount spent or unspent for the Financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Name of the Fund		
	Amount	Date of transfer	Amount	Date of transfer	
29,87,396.05	NIL	NA	The unspent CSR Obligation will be transferred to the Fund(s) as per the provisions of the Companies Act, 2013 within the prescribed time limit.		

(b) Details of CSR amount spent against **ongoing projects** for the Financial year: None

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation (Direct/Indirect)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	<b>COVID support to nearby villages</b> Distributed Hand Sprayer Pump for disinfection, Surgical Masks and Sodium Hypochlorite solution.	i	Yes	Maharashtra	Roha, Raigad	50,089.14	Direct	NA	NA
2.	<b>RIA</b> Contribution for COVID Care Center through RIA	i	Yes	Maharashtra	Roha, Raigad	4,69,015.00	Indirect	Roha Industrial Association	NA
3.	<b>COVID support</b> Distributed Disposable Gowns and Shoe Covers to Roha Sub-District Hospital	i	Yes	Maharashtra	Roha, Raigad	35,145.00	Direct	NA	NA

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation (Direct/Indirect)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
4.	<b>COVID relief</b> Handed over Handwash Liquid Soap to District Collector, Raigad	i	Yes	Maharashtra	Roha, Raigad	79,800.00	Direct	NA	NA
5.	<b>Oximeter distribution</b> Distributed Pulse Oximeter to Vicinity COVID Warriors	i	Yes	Maharashtra	Roha, Raigad	37,500.00	Direct	NA	NA
6.	<b>Women empowerment</b> As a woman empowerment activity, six sewing machines were handed over to the women of Janshobha Mahila Bachat	ii & iii	Yes	Maharashtra	Roha, Raigad	62,235.00	Direct	NA	NA
7.	<b>Community support</b> Donated Cement Benches to Malsai Village	x	Yes	Maharashtra	Roha, Raigad	17,050.00	Direct	NA	NA
8.	<b>Community support</b> Provided mobile toilets with Biodigester Tank to ensure hygienic safety	i	Yes	Maharashtra	Roha, Raigad	2,83,561.00	Direct	NA	NA
9.	<b>Women empowerment</b> Procured and handed over 45 sewing machines to the women	ii & iii	Yes	Maharashtra	Roha, Raigad	4,25,124.00	Direct	NA	NA
10.	<b>Session on Science</b> Science Utsav - a program - conducted to create curiosity for science among children of ZP school	ii	Yes	Gujarat	Rania	23,600.00	Direct	NA	NA
11.	<b>COVID relief</b> Support was provided to local Villagers through Rania Sarpanch	i	Yes	Gujarat	Rania	39,350.00	Direct	NA	NA

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation (Direct / Indirect)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
12.	<b>Community support</b> Provided infrastructure for distributing clean drinking water to Kudikadu Village	i & x	Yes	Tamil Nadu	Cuddalore	2,45,625.00	Direct	NA	NA
13.	<b>School flooring repair</b> Repaired badly damaged classroom flooring of Government School at Bhadla Village for girls	ii & iii	Yes	Madhya Pradesh	Nagda	33,972.00	Direct	NA	NA
14.	<b>School flooring repair</b> Repaired badly damaged classroom flooring of Uchakhedi School for girls	ii & iii	Yes	Madhya Pradesh	Nagda	35,361.35	Direct	NA	NA
15.	<b>Water cooler for school</b> Procured and donated a Water Cooler to the School for use in summers	i & ii	Yes	Madhya Pradesh	Nagda	29,704.50	Direct	NA	NA
16.	<b>Seating benches for school</b> Provided seating benches to the Government School at Naredi Pada	ii	Yes	Madhya Pradesh	Nagda	23,765.00	Direct	NA	NA
17.	<b>Basic amenities to school</b> Provided water tank, wash basin and plumbing work in Government School, Makala	i & ii	Yes	Madhya Pradesh	Nagda	12,204.90	Direct	NA	NA
18.	<b>Seating benches for school</b> Provided additional seating benches to Government School, Naredi Pada	ii	Yes	Madhya Pradesh	Nagda	52,079.00	Direct	NA	NA

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation (Direct / Indirect)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
19.	<b>Classroom repair</b> Done revamping of a classroom in Nandvasala Village School	ii		Madhya Pradesh	Nagda	53,567.28	Direct	NA	NA
20.	<b>Basic amenities to school</b> Done revamping of a classroom in Sanashala Government School	i & ii	Yes	Madhya Pradesh	Nagda	53,567.28	Direct	NA	NA
21.	<b>Basic amenities to school</b> Provided office stationery to Sanashala School	i & ii	Yes	Madhya Pradesh	Nagda	20,474.76	Direct	NA	NA
22.	<b>PM CARES Fund</b> Contribution made by the Company into PM CARES Fund	viii	No	Maharashtra	Mumbai	3,40,322.00	Direct	NA	NA
23.	<b>Basic amenities to school</b> Donated desks and benches to the Local ZP School, Kudikadu Village	ii	Yes	Tamil Nadu	Cuddalore	1,02,000.00	Direct	NA	NA
24.	<b>Community</b> To encourage the local youth, to participate in sports, the Company arranged gymnasium for training	vii	Yes	Tamil Nadu	Cuddalore	82,600.00	Direct	NA	NA
25.	<b>Community - women Sewing Training Center</b> was developed for the women tailoring classes	ii & iii	Yes	Tamil Nadu	Cuddalore	2,22,500.00	Direct	NA	NA
<b>Total</b>						<b>28,30,212.21</b>			

(d) Amount spent in Administrative Overheads: ₹ 1,57,183.84

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

(f) Total amount spent for the Financial Year: ₹ 29,87,396.05

(g) Excess amount for set off: **Nil**

**12. Unspent CSR**

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

Sr. No.	Financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding Financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the Financial year for **ongoing projects** of the preceding Financial year(s): Nil**13. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial year:** Not applicable**14. Reason(s) for not spending the amount at 7:**

Considering social responsibility an integral part of Company's affairs, we have developed a CSR discipline which creates our accountability towards the community, within which we operate. The endeavor to contribute for the benefit of society is derived greatly from the CSR Policy that we have adopted.

The Company has always given preference to direct spends on Sustainable CSR projects rather than one time activities or executing activities through third parties. This is to ensure wholesome benefit is relayed to the society in an appropriate and timely manner.

Due to the constraints posed by the Novel Corona Virus in this Financial year, the Company could not complete the entire CSR obligation. In pursuant to the amended provisions of Section 135(5) of the Companies Act, 2013, the Company will transfer all the unspent CSR Obligation to the Fund(s) as provided under the Schedule VII within the stipulated timeline.

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

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

Mumbai, May 19, 2021

**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, 2021	Ratio of Remuneration to median remuneration of employees
1.	<b>Mr. Adnan Ahmad</b> Vice-Chairman & Managing Director	386.52	50.7

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

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

Executive Director, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the Financial year
<b>Mr. Adnan Ahmad</b> Vice-Chairman & Managing Director	Nil
<b>Mr. Ashish Agarwal*</b> Interim Chief Financial Officer	N/A
<b>Ms. Ameer Joshi</b> Company Secretary	6.2%

\*w.e.f. June 17, 2020

**iii. The percentage increase in the median remuneration of employees in the Financial year:** 6.9%

**iv. The number of permanent employees on the rolls of Company as on March 31, 2021:** 499

**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: 8.2%

Average Percentile Increase for managerial personnel: 3.1%

**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)

Mumbai, May 19, 2021

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

## ANNEXURE D

### Form No. MR-3

#### Secretarial Audit Report

#### For the Financial year ended March 31, 2021

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on March 31, 2021, 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, 2021 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.

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

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.

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 in accordance with the approval granted by the Board of Directors and the Shareholders pursuant to the provisions of Section 179 and Section 180(1)(a) of the Companies Act, 2013 and as per the Valuation report of M/s Ernst & Young along with the Fairness report from M/s BDO, the Company sold 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 for a consideration of ₹ 412.99 Crores, effective from July 1, 2020.

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

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

**Jagdish Ahuja**  
Proprietor

Date: May 17, 2021  
Place: Mumbai

FCS No. 9079; C.P. No. 10563  
UDIN: F009079C000337462

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

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

**Jagdish Ahuja**  
Proprietor

Date: May 17, 2021  
Place: Mumbai

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

## ANNEXURE E

**FORM AOC-2**

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

- Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
- Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2021:

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Value
Colorants Solutions Singapore Pte. Ltd.	Sale of finished goods as per the purchase order raised from time to time.	On Going	Ordinary course of business and at arm's length price.	-	NIL	23,614.83

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

**Kewal Handa**  
Chairman  
DIN (00056826)

Mumbai, May 19, 2021

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

## MANAGEMENT DISCUSSION &amp; ANALYSIS REPORT

**Economic Overview**

The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. GDP plunged 24.4% in last year's June quarter as a national lockdown was imposed. As per IMA December 20 quarter GDP was up by 0.4% yoy after a 9.4% fall over the prior three quarters, a local demand recovery appears to be underway. They predict a FY forecasts are -8.1% for FY20/21. Also they forecast GDP @ 10.8% for FY21/22, which is roughly in line with the latest forecasts for FY21/22 from the government (11%), the IMF (11.5%) and the RBI (10.5%). To help a recovery government initiated few steps like lifted spending by 28.4% in FY20/21 (to March) while revenue fell 7.7% and the fiscal deficit doubled. Also, thanks to good work by the Reserve Bank of India (RBI), a record ₹ 13.5tr (US\$184bn or 7% of GDP) in borrowing - all local - went smoothly, with the 10-year bond yield finishing FY20/21 steady at 6.18%.

Two challenges lie ahead. Borrowing in FY21/22 is put at a still high ₹ 12tr. That could crowd out private borrowers in a recovery and might trigger a downgrade to junk status for the government's bond. Second, banks have yet to reveal the damage done by a moratorium on loan repayments in 2020. They may have little capacity to fund a lift in growth in 2021.

**Industry Overview: Specialty Chemicals**

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.

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.

The Chemical industry in India provides several building blocks and raw materials for many industries, including textiles, paper,

paints, soap and detergents, pharmaceuticals and agrochemicals. India's Chemical Industry ranks at the 6<sup>th</sup> position in the world and 4<sup>th</sup> position in Asia in terms of size. Ministry of Chemicals & Fertilizers Department of Chemicals and Petrochemicals It has estimated that Indian Chemical Industry with a CAGR of 10%+ to reach USD 300 Billion by 2025, up from USD 178 Billion by the end of FY 2020. The specialty chemicals constitute approximately 22%. The long-term growth story of the Indian speciality chemical sector remains intact with an estimated USD 60 billion opportunity across specialty chemicals segments over the next 8-10 years .

Specialty chemicals finds applications across consumer (eg. personal care chemicals), industrial (eg. water chemicals) and infrastructure (eg. construction chemicals) segments are driven by the overall growth of the Indian economy. Specialty chemicals definition varies widely across the industry, however in general it can be said chemicals which are used in low quantities (not in bulk) and are targeted towards specific end-use applications. From a financial perspective, a more tangible metric to distinguish between specialty and bulk chemicals is the EBITDA margin of the business. Specialty chemicals, by virtue of being high value, specialized products command higher margins than most bulk products. Significant opportunity exists for players to drive value creation via market consolidation, sharper end-market alignment, and a greater focus on quality, sustainability, collaboration, and innovation.

While opportunities exist across the board, select end markets stand out due to a combination of factors such as growth potential, changing consumer patterns, and the existence of a robust domestic as well as export potential. Specialty chemical industry can be subdivided major nine segments into a mix of end-use driven segments agrochemicals, personal care ingredients, polymer additives, water chemicals, textile chemicals and construction chemicals and application-driven segments surfactants, flavours and fragrances and dyes and pigments.

The growth for specialty chemicals is driven by both domestic consumption and exports. In certain segments (such as agrochemicals, dyes and pigments, flavours and fragrances), a significant proportion of production in India is exported. Exports are growing rapidly as India is becoming an important manufacturing hub for such chemicals. Tightening environmental norms (eg. REACH regulations) in developed countries and the slowdown of China (in certain segments) are contributing to the growth of exports. The recently launched "Make in India" campaign is also expected to add impetus to the

emergence of India as a manufacturing hub for the chemicals industry in the medium term.

The COVID-19 pandemic resulted in a short-term demand shock, but the long-term growth story continues to remain intact. The COVID-19 pandemic has had varying levels of impact on demand across different end-segments. While segments such as Textile, construction & infrastructure, automotive and consumer durables saw a significant demand shrinkage (10%+), other segments such as FMCG, agriculture, pharma, hygiene, F&B remained resilient. India's plastic industry in 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, 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. Most segments recovered to pre-Covid levels by Q3 FY21 and the Chemicals sector is now back on a robust footing. Even on the supply front, major chemical production units have come back strongly post lockdown and are operating close to pre-COVID levels since October 2020. Overall, we believe that Indian Chemical sector has successfully moved past the COVID impact, and long-term growth trajectory continues to remain intact.

In the domestic market, India remains underpenetrated in most specialty chemical segments. However, increasing population, rising urbanization, and growing income levels are driving strong growth in all key end markets. This bodes well for domestic demand outlook for specialty chemicals. In the export markets, India has established a strong presence driven by its low-cost manufacturing, availability of skilled labor, reputation for IP protection and strong process optimization capabilities. Specialty chemicals already account for more than 50% of total chemical exports from India. However, India's specialty chemical export still account for less than 5% of global specialty chemical trade. With significant post-pandemic shifts in global Chemicals supply chains, and the potential adoption of a China+1 strategy by global Chemicals players, there is significant headroom for India to expand its global exports. While opportunities exist across the board, select end markets stand out due to a combination of factors such as growth potential, changing consumer patterns, and the existence of a robust domestic as well as export potential

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.

Pigments predominantly find application in paints and coatings, automotive finishes, emulsion paints and distempers. They are also used in printing inks, polyester textiles and plastics like PVC, rubber and synthetic polymers and nylons, cosmetics and paper.

Per capita consumption of colorants in India is 50gm as compared to 400gm in Europe hence scope for growth. India is global supplier of Phthalocyanine (blue and green) pigments, Approximate 70% of total production is Phthalocyanine.

Covid-19 represents scenarios which are quite fluid and fundamentally difficult to quantify. Behavioural 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 In FY21, many of the segments had seen major drop First quarter, post that second and third quarter have witnessed rebound in demand condition and normalization nearly across all sectors. The paint and coating the bigger consumer of Pigments recovery was supported by new projects and construction activities, also uptrend in manufacturing sector.

#### 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 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, 2021 stood at ₹ 68,842 lakhs as against ₹ 71,992 lakhs for the previous year ended March 31, 2020. Of the total sales revenue for the year under review, 35% is contributed by exports. The Pigments business showed a decline of 4.4%.

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 31-03-2021	Year ended 31-03-2020
Sales	68,842	71,992
Operational Profit	4,329	1,679
Other income*	1,479	1,750
Profit before tax & Exceptional Item	5,808	3,429
Exceptional Item	25,480	-
Profit before Tax	31,288	3,429
Operational PBDT before other income (% to sales)	11.5%	7.8%
ROCE (%)	# 8.4%	2.9%
Earnings Per Share (₹)	94.7	8.0
Cash earnings per share (₹)	34.34	24.27
Book value per share (₹)	176.4	282.2

# Excluding exceptional item

\* Other Income of previous year includes ₹ 32 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 31-03-2021	Year ended 31-03-2020
Debtor Turnover ratio	24.66%	20.50%
Inventory Turnover ratio	19.57%	17.50%
Interest coverage ratio	23	10
Current ratio	1.86:1	2.55:1
Debt equity ratio	No borrowings	No borrowings
Operating Profit Margin (%)	6.30%	2.30%
Net Profit Margin (%)	4.90%	2.60%

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 19.57%, receivables to sales of 24.66% and the net working capital to sales of 18.31%. Net cash from operations during the year before the tax payments was ₹ 8,062.41 lakhs (previous year ₹ 11,368.36 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 superior quality organic pigments, pigment preparations and dyes used in the automotive industry, for industrial and architectural coatings, for the plastics industry, to color home and fabric care products and many other applications including seed coloration, traditional and digital printing. With decades of experience and know-how behind us, we're confident that we can provide the solutions you're looking for, however specific your demands may be. Our organic pigments and colorants have a global reputation for technical performance and high quality, and we provide top-quality support at our regional and global technical service



centers. At Clariant we always ensure that our products meet international standards of environmental, health and safety performance, as well as proactively taking steps to save energy and reduce our carbon footprint

Total sales of Pigments business is from 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 ₹ 68,841.61 Lakhs, marking a decline of 3.5% on a like to like comparable period basis of 12 months.

**Masterbatches** are concentrated form of pigments and/or additives which are optimally dispersed at high concentration in a carrier material.

The Company has sold its Masterbatches business to Polyone Polymer India Pvt. Ltd, on a going concern basis effective from July 1, 2020. The Masterbatches business of the Company has contributed sales of ₹ 4,241.97 lakhs till June 30, 2020.

### 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 ₹ 5,050 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, 2021, 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, 2021 were 499 as against 743 on March 31, 2020.

### Environment, Corporate Sustainability and Social Responsibility

Clariant in India continues to commit itself to ethical and sustainable operations in all business activities according to the principles of Responsible Care and Clariant Code of Ethics.

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. Keeping this in mind, the Company has now reworked its Sustainability Strategy and come out with ambitious Science based targets to reduce GHG emissions in absolute terms. The new 2030 Goals set targets on scope 1, 2 and 3 for GHG emissions, water, waste water, waste with a focus on hazardous waste and NOx.

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

Being a Responsible care Company, we completed the RC Logo renewal audit in September 2020 and were awarded the RC logo for next 3 years. As part of continual improvement efforts, Clariant in India has implemented various 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. In recognition of our efforts, the Company was awarded the prestigious Aditya Birla Award for Best Responsible Care committed chemical Company from Indian Chemical Council in September 2020.

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. We continue with our contribution in the focus areas of Children's education, Safety and healthcare and Community support to bring a positive impact on the communities around its sites in India. The Company is also 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 for the 8<sup>th</sup> consecutive year 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 now reconfirms our ambition of leading through sustainability

and innovation. The sustainable operation targets are set to reduce intensity for key environment traits. 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

India's Chemicals sector is on strong growth trajectory for the coming decade. Drivers for this trajectory include

- 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
- the emergence of a potential China + 1 strategy in global supply chains,
- The Indian specialty chemicals industry continues to be benefited due to availability of technically skilled manpower and competitive labour costs.
- Government initiatives like 'Make in India' and FDI are further anticipated to aid the growth of the market over the coming years
- India's rapidly improving policy and regulatory environment. 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.
- 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

The COVID-19 pandemic did result in a short-term demand shock, but the longterm growth story continues to remain intact. In our assessment, India is a highly attractive destination for the Global Chemicals Industry on multiple key parameters when compared to other locations such as the Middle East, Latin America, and South East Asia.

**Challenges**

- Due to the impact of the coronavirus (COVID-19) pandemic Chemical industry are going to face challenge due to disrupted supply chains by outbreaks in key regions, demand may fall due to uncertainty in the global economy and capital markets. Workforces are facing the risk of infection, and governments are beginning to enact restrictions on movement – and both add an unpredictable dimension to the crisis
- Increase in domestic capacities, competition from export-oriented global capacities, Fluctuation in crude oil prices, dependency on import of key intermediates and increasing price will put margins of products will increasingly be under pressure.
- Chemical players mainly compete with the Chinese players, thus the movement of Rupee against the Dollar and Yuan against the Dollar is critical to the overall pricing of Chemicals
- 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.
- Key to success is to drive differentiation chemical manufacturer need to evolve from being product marketers to solution providers.
- 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.

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 Ethics. 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)

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

Mumbai, May 19, 2021

Notice

Directors' Report

Management Discussion &amp; Analysis Report

Report on Corporate Governance

Business Responsibility Report

Financial Report

## 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, organization and processes of the Clariant group, the corporate governance principles aim to provide shareholder value and transparency to promote sustainable long-term success. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

#### 1. Group Structure

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

#### 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 requirements 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

& 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 Chairperson of more than 5 Committees across all Companies in which they are Directors.

None of the Independent Directors has any material pecuniary relationships or transactions with the Company, its Promoters, Directors, 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, 2021, 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, 2021		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on August 20, 2020	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Kewal Handa DIN 00056826 Chairman	Non-Executive Independent	5	5	Attended	7	3	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	4

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships / Chairmanships in Indian Public Companies# as on March 31, 2021		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on August 20, 2020	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	5	5	Attended	5	7	1
Mr. Alfred Muench DIN 03092351	Non-Executive	5	4	Attended	2	None	None
Mr. Thomas Wenger DIN 08350960	Non-Executive	5	4	Attended	1	1	None
Mr. Sanjay Ghadge DIN 08455742	Non-Executive	5	5	Attended	1	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.

**NOTE:** Due to the outbreak of COVID-19 pandemic and in line with the relaxations provided by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), all the Board Meetings were held virtually during the Financial year 2020-21.

##### 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 Borosil Limited	Independent Director Independent Director Independent Director Independent Director
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 Director proposed to be re-appointed at the ensuing Annual General Meeting of the Company forms part of the Notice of Annual General Meeting.

#### 2.5 Board Meetings and Agenda:

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

In accordance with the law and the Articles of Association of the Company, the Board of Directors is the ultimate decision-making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review, among other things, quarterly performance of the Company and Financial results. During the year under review, the Board of Directors held 5 meetings on June 17, 2020, July 11, 2020, August 14, 2020, November 12, 2020 and February 12, 2021.

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 the 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on February 12, 2021 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) 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 Chairman.

The performance evaluation of the Directors was done based on criteria which included leadership qualities, contribution in strategic planning, balanced decision making, safeguard of confidential information, adherence

to Code of Ethics, 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 12, 2021.

### 3. Board Committees

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

#### 3.1 Audit Committee

##### 3.1.1 Composition and Meetings:

The composition of the Audit Committee is in conformity with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the year under review, four meetings were held on June 17, 2020, August 14, 2020, November 12, 2020, and February 12, 2021. The details of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairperson	4	4
Mr. Kewal Handa	Member	4	4
Dr. (Mrs.) Indu Shahani	Member	4	4
Mr. Thomas Wenger	Member	4	3

**NOTE:** Due to the outbreak of COVID-19 pandemic and in line with the relaxations provided by the MCA and the SEBI, all the meetings of Audit Committee were held virtually during the Financial year 2020-21.

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management,

financial, accounting and legal expertise. The Chairperson of the Audit Committee is a Non-Executive Independent Director. Mr. Sunirmal Talukdar, Chairperson of the Committee was present at the Annual General Meeting held on August 20, 2020.

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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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;

- k) Review the appointment, removal and terms of remuneration of Internal Auditors;
- l) Review with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- m) Review the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- n) Review of reports of Statutory and Internal Auditors and replies of the management thereon;
- o) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the Monitoring Agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- q) Discussion with Internal Auditors of any significant findings and follow up there on;
- r) Review, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement, forming part of the Board's report in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any, in Accounting Policies and practices and reasons for the same;
- iii) Major accounting entries involving estimates based on exercise of judgment of management;
- iv) Significant adjustments made in the financial statements arising out of audit findings;
- v) Compliance with listing and other legal requirements relating to financial statements;
- vi) Disclosures of any related party transactions;
- vii) Qualifications in the draft Audit Report;
- s) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern and review of management representation letters to be issued to the Statutory Auditors;
- t) Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- u) Reviewing compliances as regards the Company's Whistle Blower Policy;
- v) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate;
- w) Carrying out any other function as may be referred by the Board, from time to time;
- x) reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

### 3.2 Nomination and Remuneration Committee

#### 3.2.1 Composition and Meetings:

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

During the year under review, three meetings were held on June 17, 2020, November 12, 2020, and February 12, 2021.

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

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

Ms. Ameer Joshi acts as Secretary to the Committee.

**NOTE:** Due to the outbreak of COVID-19 pandemic and in line with the relaxations provided by the MCA and the SEBI, all the meetings of Nomination & Remuneration Committee were held virtually during the Financial year 2020-21.

#### 3.2.2 Terms of reference:

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

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

down and recommend to the Board of Directors their appointment and removal;

- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend to the Board on Remuneration payable to the Whole Time Directors, Key Managerial Personnel and Senior Executives.

#### 3.2.3 Remuneration Policy:

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

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

#### 3.2.4 Remuneration paid to the Directors:

The Independent Directors are remunerated by way of sitting fees for attending each meeting of the Board and Committee thereof. They are also paid commission on an annual basis in accordance with the provisions of the Companies Act, 2013, read with Rules framed thereunder.

The details of remuneration paid/payable to the Directors for the year ended March 31, 2021 is given as under:

(₹ in Lakhs)					
Name of Director	Sitting fees <sup>1</sup>	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Commission	Total	No. of shares held as on March 31, 2021
Mr. Kewal Handa	9.40	-	13	22.40	Nil
Mr. Sunirmal Talukdar	11.05	-	10	21.05	Nil
Dr. (Mrs.) Indu Shahani	9.95	-	10	19.95	Nil
Mr. Adnan Ahmad#	Nil	386.52	-	386.52	Nil

<sup>1</sup> Exclusive of service tax.

# 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.

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 & 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 June 17, 2020, August 14, 2020, November 12, 2020, and February 12, 2021. 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.

**NOTE:** Due to the outbreak of COVID-19 pandemic and in line with the relaxations provided by the MCA and the SEBI, all the meetings of Stakeholders' Relationship Committee were held virtually during the Financial year 2020-21.

#### 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) Regulations, 2015.

Pursuant to Regulation 13 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, investors' grievance redressal status and the number of pending complaints are reported every quarter to the stock exchanges. There were no investor complaint pending as on March 31, 2021. Detail of Investors' Complaint received and resolved during the year ended March 31, 2021 is given below:

Nature of Complaints	Number of Complaints	
	Received	Resolved
Non-Receipt of Dividend	16	16
TDS Deduction	1	1
Non-Receipt of Share Certificates after Demat Rejection	1	1
Others	3	3
<b>Total</b>	<b>21</b>	<b>21</b>

### 3.4 Corporate Social Responsibility (CSR) Committee

#### 3.4.1 Composition & Meetings:

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

During the year under review, one meeting was held on June 17, 2020, virtually, due to outbreak of COVID-19 Pandemic. 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. Kewal Handa	Member	1	1

#### 3.4.2 Terms of reference:

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

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

### 3.5. Risk Management Committee

#### 3.5.1 Composition and Meetings:

Pursuant to the recent amendments in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have constituted the Risk Management Committee on May 19, 2021. The composition of the Committee is given below:

Name	Position held
Mr. Sunirmal Talukdar	Chairperson
Mr. Adnan Ahmad	Member
Mr. Vaibhav Ganpule	Member

Ms. Ameer Joshi acts as Secretary to the Committee.

#### 3.5.2 Terms of reference:

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

### 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
61 <sup>st</sup>	August 9, 2018 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	None
62 <sup>nd</sup>	August 8, 2019 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	Re-appointment of Dr. (Mrs.) Indu Shahani as Independent Director of the Company for second term of 5 years.
63 <sup>rd</sup>	August 20, 2020 4.00 p.m.	Through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')	None

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

### 4. Subsidiary Company

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

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

- Approval for re-appointment of Mr. Kewal Handa as an Independent Director of the Company for a second term of 5 consecutive years from April 1, 2021 to March 31, 2026. 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	100.00	11772050	0	100.00	0.00
		<b>11772050</b>	<b>100.00</b>	<b>11772050</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>
Public Institutions	1017768	863058	84.80	863058	0	100.00	0.00
		<b>863058</b>	<b>84.80</b>	<b>863058</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>
Public Non Institutions	10291980	27321	0.27	22391	4930	81.96	18.04
		<b>27321</b>	<b>0.27</b>	<b>22391</b>	<b>4930</b>	<b>81.96</b>	<b>18.04</b>
<b>Total</b>	<b>23081798</b>	<b>12662429</b>	<b>54.86</b>	<b>12657499</b>	<b>4930</b>	<b>99.96</b>	<b>0.04</b>

- Approval for re-appointment of Mr. Sunirmal Talukdar as an Independent Director of the Company for a second term of 5 consecutive years from April 1, 2021 to March 31, 2026. 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	100.00	11772050	0	100.00	0.00
		<b>11772050</b>	<b>100.00</b>	<b>11772050</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>
Public Institutions	1017768	863058	84.80	863058	0	100.00	0.00
		<b>863058</b>	<b>84.80</b>	<b>863058</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>
Public Non Institutions	10291980	27318	0.27	24711	2607	90.46	9.54
		<b>27318</b>	<b>0.27</b>	<b>24711</b>	<b>2607</b>	<b>90.46</b>	<b>9.54</b>
<b>Total</b>	<b>23081798</b>	<b>12662426</b>	<b>54.86</b>	<b>12659819</b>	<b>2607</b>	<b>99.98</b>	<b>0.02</b>

The above resolutions were passed by the requisite majority and the 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 12, 2021.

## 6. Disclosures

### 6.1 Related party transactions:

Related party transactions have been disclosed under Note 40 of Significant Accounting Policies & Notes forming part of the financial statements of Audited Accounts in accordance with 'Indian Accounting Standard 24' and pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

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

None of the transactions with related parties were in conflict with the interest of the Company. Company's major related party transactions, during the year under review, are with the affiliates of 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., [www.clariant.com](http://www.clariant.com). All the Board Members and Senior

Management personnel have affirmed compliances with the code for the year ended March 31, 2021.

### 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, 2021 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 Ethics. 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 Mumbai Lakshadeep, circulating in the local area. These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited.

### 8. General Shareholder Information

#### 8.1 Annual General Meeting:

**Day, Date & Time** : Thursday, August 12, 2021 at 04.00 p.m.

**Mode** : The 64<sup>th</sup> Annual General Meeting (AGM) of the Company will be held through Video Conference (VC)/ Other Audio-Visual Means (OAVM).

#### 8.2 Financial Calendar:

- Financial Year April 1 to March 31.

Proposed Calendar for FY 2021-22

1 <sup>st</sup> Quarter Results	On or before August 14, 2021
2 <sup>nd</sup> Quarter Results	On or before November 14, 2021
3 <sup>rd</sup> Quarter Results	On or before February 14, 2022
Annual Results	On or before May 30, 2022
Annual General Meeting	In the month of August 2022

#### 8.3 Dates of Book Closure:

Book Closure dates	August 6, 2021 to August 12, 2021 (Both days inclusive)
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#### 8.4 Listing of Shares:

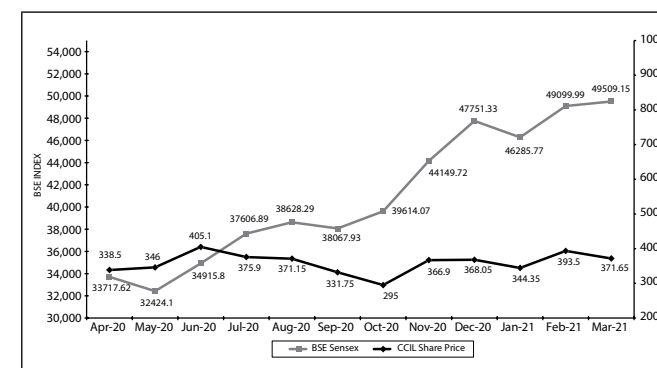
Shares of the Company are listed on BSE Limited (BSE) under Stock ID '506390' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2022 to both the Stock Exchanges.

#### 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.)
2020-21						
April 20	344.75	219.35	101785	344.25	218.00	1366742
May 20	370.45	310.00	58470	370.00	310.15	558518
June 20	422.50	341.35	96779	421.95	341.00	1033939
July 20	608.00	350.00	1671570	608.00	350.00	15450125
August 20	427.10	368.00	361475	427.05	368.00	2873242
September 20	389.90	322.00	138175	380.00	321.00	1076350
October 20	339.25	291.55	115468	336.60	292.40	594300
November 20	375.75	288.00	190403	375.95	288.00	1116252
December 20	390.00	334.00	184745	390.55	334.00	1238803
January 21	384.70	340.75	231055	385.00	341.00	830957
February 21	467.00	344.15	514271	459.90	343.90	3825772
March 21	409.00	365.05	187967	409.80	364.80	1058485

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



#### 8.8 Address for correspondence:

##### A) Share Transfer Agents:

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli (West),  
Mumbai - 400 083, Maharashtra  
Tel: 022 - 49186000  
E-mail id.: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Contact Person: Miss Suman Shetty  
E-mail ID for Investor Services:  
[investor.relations.India@clariant.com](mailto:investor.relations.India@clariant.com)

##### B) Company's Registered Office:

Reliable Tech Park, Gut No. 31, Village Elthan,  
Off Thane-Belapur Road, Airoli, Navi Mumbai- 400 708  
Maharashtra  
Tel: 022 - 71251000

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

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

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

#### 8.9 Shareholding pattern as on March 31, 2021:

Sr. No.	Category	No of Shares held	Percentage of Shareholding
<b>A Promoters' Holding</b>			
<b>Foreign Promoters</b>			
(a)	Colorants International AG	7662624	33.20
(b)	EBITO Chemiebetreibungen AG	4109426	17.80
<b>Sub-Total</b>		<b>11772050</b>	<b>51.00</b>
<b>B Institutional Investors</b>			
(a)	Mutual Funds / Alternate Investment Funds	180	0.00
(b)	Financial Institutions / Banks	35901	0.16
(c)	Insurance Companies	854866	3.70
(d)	Foreign Portfolio Investors(Corporate)	52458	0.23
(e)	Foreign Institutional Investors	0	0
<b>Sub-Total</b>		<b>943405</b>	<b>4.09</b>
<b>C Others</b>			
(a)	Domestic Companies	701152	3.04
(b)	Non Resident Indians / Trusts	339471	1.47
(c)	Indian Public	9193303	39.83
(d)	Foreign Nationals	225	0.00
(e)	Government Companies	0	0
(f)	Investor Education and Protection Fund	116046	0.50
(g)	NBFCs Registered with RBI	16146	0.07
<b>Sub-Total</b>		<b>10366343</b>	<b>44.91</b>
<b>D Total Public Shareholding (B+C)</b>		<b>11309748</b>	<b>49.00</b>
<b>Total (A+D)</b>		<b>23081798</b>	<b>100</b>

2,27,08,036 equity shares of the Company are held in dematerialized form constituting 98.38% of the paid up capital as on March 31, 2021. The total number of shareholders as on March 31, 2021 is 58,126\*.

\*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-2021		As at 31-March-2020	
		No. of shares	%	No. of shares	%
1	Colorants International AG	7662624	33.20	0	0.00
2	Ebito Chemiebetriebe AG	4109426	17.80	4109426	17.80
3	Bajaj Allianz Life Insurance Company Ltd	758315	3.29	770624	3.34
4	Plutus Wealth Management LLP	300000	1.30	0	0.00

**8.11 Distribution of shareholdings as at March 31, 2021:**

No. of equity shares held	Shareholders		Equity Shares held	
	Numbers	%	No. of shares	%
1 - 500	54657	94.03	4551426	19.72
501 - 1000	2098	3.61	1600980	6.94
1001 - 2000	827	1.43	1195953	5.18
2001 - 3000	238	0.41	586736	2.54
3001 - 4000	93	0.16	331237	1.43
4001 - 5000	76	0.13	352654	1.53
5001 - 10000	89	0.15	636547	2.76
10001 & above	48	0.08	13826265	59.90
<b>Total</b>	<b>58126</b>	<b>100.00</b>	<b>23081798</b>	<b>100.00</b>

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

**8.12 Names of Depositories for dematerialization of equity shares:**

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

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

**8.13 ADRs/GDRs/Warrants:**

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

**8.14 Plant Locations:**

The Company's current manufacturing facilities are located at:

- 113/114, M.I.D.C. Industrial Area, A.V.P.O. Dhatav, Taluka Roha, District Raigad – 402 116 Maharashtra
- Plot/Phase No. 378/2/2, Durgapura Colony Road, Birlagram, Nagda – 456 331 Madhya Pradesh
- Kudikadu, SIPCOT Post, Cuddalore – 607 005 Tamil Nadu

**8.15 Credit Ratings:**

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

**8.16 Certificate from Company Secretary:**

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

**8.17 Fees paid to Statutory Auditors:**

The Company had paid the Statutory Auditors, in connection of the work related to Audit carried out by them and other activities as approved by the Audit Committee, for the Financial year 2020-21, as below:

Nature of Engagement	FY 2020 - 21
As auditors	18,50,000
For other services	Nil
For reimbursement of expenses	29,155
<b>Total</b>	<b>18,79,155</b>

**8.18 Recommendation of Committee:**

There were no recommendations of any Committee of the Board which is not accepted by the Board during the Financial year 2020-21. 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	Nil
Number of complaints disposed of during the Financial year	NA
Number of complaints pending as on end of the Financial year	Nil

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

The Company has not allotted any specified security to anyone on Preferential basis or to Qualified Institutional Buyers in terms of Regulation 32 (7A) of the 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 3,276 shares to IEPF Suspense Account as on March 31, 2021. The Company has uploaded the details of such shareholders on its website [www.clariant.com](http://www.clariant.com).

Members are hereby informed that the 7 years period pertaining to Interim Dividend for the Financial year 2014 will expire on August 23, 2021 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
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
2020-21 (First Interim)	11.07.2020	17.08.2027
2019-20(Final)	20.08.2020	26.09.2027
2020-21 (Second Interim)	12.02.2021	20.03.2028

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	315 shareholders 40058 shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	0
Number of unclaimed shares were transferred during the year	0

Number of shareholders involved in IEPF4	38 Shareholders
Number of shares involved in IEPF4	3276 Shares
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	277 shareholders 36782 shares

The voting rights on the outstanding unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

### 9.3 Bank Mandate:

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

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

### 9.4 Nomination Facility:

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

### 9.5 Consolidation of folios and avoidance of multiple folios:

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

### 9.6 Communication:

In order to save the environment and in order to initiate e-communication, the Company requests all shareholders

to register their Email address with the Depository, in case of shares held in demat form or with the Share Transfer Agents for shares held in physical form. This will facilitate the Company and Share Transfer Agents to send the communication through electronic mail which is faster and cost effective.

### 9.7 Non-Mandatory requirements:

The status of compliance with non-mandatory recommendations under Part E, Schedule II of the 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, 2021 does not contain any audit qualification.

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

### 10. CEO/CFO Certification

The Vice-Chairman & Managing Director and the Interim Chief Financial Officer have provided annual certificate on financial reporting and internal controls to the Board pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate was placed and taken on record at the Board Meeting held on May 19, 2021. 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, May 19, 2021

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We, the Statutory Auditors of **Clariant Chemicals (India) Limited** ('the Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2021 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

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

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

### Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2021, as applicable.

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

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

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247  
UDIN: 21118247AAAAAD8479

Place: Mumbai  
Date: May 19, 2021

## CERTIFICATE FROM PRACTISING COMPANY SECRETARY

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

**Sub: Certificate from a Company Secretary in Practice pursuant to Regulation 34(3) and Clause 10(i) of Part C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to certify, on the basis of records maintained by Clariant Chemicals (India) Limited (the Company) and the data available at the Ministry of Corporate Affairs (MCA) website and also declarations received from the following Directors of the Company, that none of the Directors on the Board of the Company, for the Financial Year ended on March 31, 2021, 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: F009079C000339882

Place : Mumbai  
Date : May 18, 2021

## 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 Ethics 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](http://www.clariant.com)
- E-mail id: [investor.relations\\_india@clariant.com](mailto:investor.relations_india@clariant.com)
- Financial Year reported: Financial Year ended on March 31, 2021
- 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	70%
2.	Colours, Dyes and Pigments	20224	13%

- Three key products that the Company manufactures / provides (as in Balance Sheet):  
CC Yellow Fine Paste 509  
PV Fast Blue BG  
CHLORANIL DRY
- Total number of locations where business activity is undertaken by the Company: 3
  - Number of International Locations: None (On a standalone basis)
  - Number of National Locations: 3

- 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):** ₹ 71,858 Lakhs
- Total profit after taxes (INR):** ₹ 21,976 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax :** ₹ 29,87,396.05/- (0.14%)
- List of activities in which expenditure in point no. 4 above has been incurred:-**
  - Education
  - Safety and Health
  - Women empowerment and Community welfare
  - Donation to PM CARES Fund
  - COVID Relief

### SECTION C: OTHER DETAILS

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

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

### SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR**

- Details of the Director/Director responsible for implementation of the BR policy/policies

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

## (b) Details of the BR head:

No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. Puthige Murali
3.	Designation	Head of Regional Sustainability & Regulatory Affairs (RSRA), India
4.	Telephone number	022-71251000
5.	e-mail id	<a href="mailto:Puthige.Murali@clariant.com">Puthige.Murali@clariant.com</a>

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

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

## (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 Ethics which covers most of the principles. The Code of Ethics is in line with national and international standards and practices such as Universal Declaration of Human Rights, the OECD and the ILO guidelines/ principles concerning Multinational Enterprises and Social Policy.								
4.	Has the policy being approved by the Board?	All our key policies are formulated at Group level 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 members of the leadership team. The Company has 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 Ethics and the Policies are available on the Company's internal network. The Policies which concerns the external Stakeholders are available on the website of the Company : <a href="http://www.clariant.com">www.clariant.com</a>								

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 <a href="https://www.clariant.com/en/Investors/Investor-Relations-India/Policies">https://www.clariant.com/en/Investors/Investor-Relations-India/Policies</a>								
8.	Does the Company have in-house structure to implement the Policy/ Policies	Company has set up various internal processes and controls to implement the set Policies.								
9.	Does the Company have a grievance redressal mechanism related to the Policy/ Policies to address stakeholders' grievances related to the Policy/ Policies?	In order to ensure integrity and transparency of business processes, the Company has established a portal called 'Integrity Line' to facilitate reporting, including reporting anonymously, of any non-compliance or violation of the Company's Code of Ethics and other Policies. The Company also has a Stakeholders' Relationship Committee to redress grievances of investors. In accordance with Indian Law, an Internal Complaints Committee has also been constituted at each establishment of the Company to look into complaints of sexual harassment.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company's Policies/Guidelines and procedures are audited by the Company's Internal as well as the Clariant Group's Auditors.  Refer Note No. 1								

**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.

Pursuant to the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company publishes Business Responsibility Report on annual basis, forming part of the Annual Report. The Annual Reports of the Company are available on the website of the Company at <https://www.clariant.com/en/Investors/Investor-Relations-India/Annual-Reports>.

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1**

The Company has adopted an Anti-Bribery and Corruption policy, which covers all employees as well as any other third party with whom 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 Agents. During the period under review, the Company received 21 (Twenty One) investor complaints and all of them have been resolved during the year.

**Principle 2**

Specific products manufactured by the Company:

- (a) Cosmenyl & Flexonyl product range  
(b) "Permanent" Pigments series

**i) Cosmenyl & Flexonyl product range –**

The product design has incorporated Environmental / Social concerns and opportunities. In quick response to the new revised Govt regulation, the biocide has been replaced with new safer biocide which ensured compliance to the customers in consumer care applications.

**ii) 'Permanent' Pigments series**

"Permanent and Hansa" is a brand name of one of the series of pigments manufactured in the Company. With our regular ongoing activities on environment protection and energy conservation we have optimized drying & milling system to reduce time cycle and saving in electrical

and steam in the drying & milling process. This resulted in substantial reduction in the electrical energy and steam with improvement in the production efficiency along with products softness and dispersibility.

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 also at customer's end.

**Sustainable sourcing (including transportation)**

Clariant is fully committed for increasing the sustainability in its supply chain. By joining the 'Together for Sustainability' (TfS) initiative in 2014, Clariant has taken the sustainability management of its suppliers to a new level. The TfS evaluation of suppliers is managed through external global service providers specialized in sustainability assessments. This global assessment and audit program cover all critical aspects of management, environment, health and safety, labor, and human rights as well as governance. The assessment scorecards and audits reports are shared on a common platform, providing fact-based and objective insights on sustainability performance. These scorecards and reports are then used to improve the supplier selection process and improve supply and supplier risk management, and sustainability performance. In 2020 Clariant sustainability assessment covered over 80% of raw material spend.

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

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

**Mechanism to recycle products and waste**

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

Process wastewater is treated at the site through state of art wastewater treatment plant. Treated wastewater is reused for

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

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

**Principle 3**

There are 499 Employees on Roll of the Company as on March 31, 2021 and 524 Employees are on contractual basis.

1. Permanent women employees: 20
2. Permanent employees with disabilities: None

There are various Employee Associations recognized by management. Around 60% 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. Also, no instance of Sexual Harassment was noted by the Company.

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**

Company has a CSR committee at each site to identify the marginalized and disadvantaged group through a need assessment and by engaging with nearby communities. Moreover, Company organizes a Sustainability dialogue at periodic interval to engage with internal and external stakeholders such as investors, customers, business partners, distributors, suppliers, and employees. The external stakeholders are mapped through defined activities such as customer events and reach out to

them on a regular basis through press releases, participation in conferences, publishing technical papers and Annual General Meetings.

For the internal stakeholders there are various interactive programs, fun events, townhall meetings conducted to keep them engaged. Company has also extended virtual support through external agencies for health & mental wellbeing of our employees in the times of current COVID situation.

Clariant has been supporting the nearby communities around our sites over the last many years. As per the identified focus areas by the Company, we have supported the local ZP schools with the basic amenities. To empower the women in the local villages, tailoring classes were organized and sewing machines distributed. A pipeline was laid for clean drinking water at 11 identified areas for the villagers in the nearby communities.

**Principle 5**

Company's internal Code of Ethics (CoE) and CoE 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 Ethics, and their engagement proceeds only after their acceptance of the same. During the year under review there were no stakeholder complaints concerning 'Human Rights' received.

**Principle 6**

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

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

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

Our Responsible Care logo got renewed in 2020 after a comprehensive online audit for all the sites. Clariant in India was awarded prestigious Aditya Birla Award by Indian Chemical Council for Best Responsible Care Company in the year 2020.

Clariant sets a strong focus on continuously steering its environmental performance towards increased sustainability

and setting new environmental benchmarks through leading-edge operations and innovation. With our vision to become climate neutral by 2050, we have set ourselves ambitious targets that allow us to measure our success based on clearly defined metrics and milestones.

Clariant has set up 2030 sustainable operations targets in the area of water intake (-20%), wastewater (-25%), hazardous waste (-25%), land-filled non-hazardous waste (-40%), and nitrogen oxide emissions (NOx) (-35%) with the baseline of 2019 data. They will be measured in terms of parameter volume or mass per unit of production.

All sites go through a regular review of their environmental aspects, impacts and necessary control measures are implemented to mitigate and control the possible impacts. The sites also strictly monitor and comply with all the State Pollution Control Board requirements.

Additionally, Company has set up the goal to conclude the implementation of sustainable water management systems at all sites in areas of high-water stress. An annual water risk assessment is conducted to identify sites located in water risk regions and measures required to mitigate the risks. Through collaborative and innovative initiatives, Clariant strives to develop efficient water use solutions that work in industrial settings across the globe.



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
- Increased usage of energy efficient equipment
- Use of Turbo Ventilators for extraction of heat from the building

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

**Principle 7**

Memberships of trade and chamber or association:

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

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

**Principle 8**

Clariant considers sustainability as one of its core strategic pillar to enable a sustainable future by leading edge operations and innovative solutions. We strive to create products that are sustainable and safe for use. Being part of the sustainable development goals (SDG's) initiative with focus on climate change and the 2030 environmental targets to intensify reductions for key environmental aspects. The Company CSR policy is framed in accordance with the Corporate Citizenship activities (CCA), guidelines of Clariant global and as per Section 135 of the Companies Act, 2013.

The Company has undertaken activities around the focus areas of Education, Safety and Health and Community support including empowerment of women. This year the major focus has been the support of COVID relief to the nearby communities around our sites. Apart from this, the local ZP schools have been refurbished and the basic amenities provided. The local women have been empowered by giving sewing machines and providing tailoring classes. The Mobile toilets were provided to have a clean defecation free environment.

The Company has a CSR Committee at every site and HQ who help to identify activities in the 3 focus areas. All programs are implemented inhouse. Every site follows the laid down procedure of identifying activities, taking approvals and on

approval executing and later preparing a detailed report which is shared with the Country CSR department.

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

The Company has spent ₹ 29.87 Lakhs towards community development. The details of the activities undertaken by sites and HQ are provided in the "Annexure- B" of the Directors' Report forming part of the Annual Report for Financial year 2020-21.

This year Clariant has followed the path differently, as our activities were majorly focused towards COVID relief to the communities around our sites. Keeping in line with our focus area 'Health & Safety' and the current COVID situation, we supported nearby communities by distributing disinfectants, sanitizers, masks, oximeters etc. and also educating the importance of preventive measures.

**Principle 9**

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

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 and usage of the products are made available on the labels.

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

**Consumer satisfaction trends**

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

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

**Kewal Handa** Chairman  
DIN (00056826)

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

Mumbai, May 19, 2021

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Clariant Chemicals (India) Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **Clariant Chemicals (India) Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements 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 the Key Audit Matter was addressed in our audit
<p><b>Measurement of tax exposure</b></p> <p>The Company is subject to various state and central tax levy (Income tax and Indirect tax) involving various complexities, changing tax laws and is involved with various tax cases with respective tax authorities (refer notes 5, 21 and 34 to the financial statements).</p> <p>The assessment of likely outcome of the tax matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law.</p> <p>We have considered these matters to be a key audit matter given the magnitude of potential outflow of economic resources and uncertainty of the possible outcome.</p>	<p><b>Our audit procedures in respect of this area include but are not limited to:</b></p> <ol style="list-style-type: none"> <li>1. Understanding and evaluating the design and testing of operating effectiveness of controls in respect of tax expense, assessment of income tax and indirect tax matters.</li> <li>2. Reading the orders received by the Company from the tax authorities and opinions sought from the management's experts.</li> <li>3. Discussing ongoing matters under dispute and developments with the Management, the Audit Committee and management expert and the future course of action by the Company.</li> <li>4. Involving auditor's tax experts to assist us in the assessment of the possible outcome of certain cases and reviewing tax expense.</li> <li>5. Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates.</li> <li>6. Assessing and validated the appropriateness and adequacy of disclosures in the financial statements.</li> </ol>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Other Matter

The financial statements of the Company for the year ended March 31, 2020, were audited by another auditor whose report dated June 17, 2020 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

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

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure C'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

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

**Vishal Vilas Divadkar**  
Partner  
Membership No.: 118247  
UDIN: 21118247AAAAAC4050

Place: Mumbai  
Date: May 19, 2021

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**Report on even date on the Financial Statements of Clariant Chemicals (India) Limited for the year ended March 31, 2021****Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

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

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: May 19, 2021

Membership No.: 118247  
UDIN: 21118247AAAAAC4050

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

**Report of even date on the financial statements of Clariant Chemicals (India) Limited for the year ended March 31, 2021**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's in the Independent Auditor's Report of even date to the members of Clariant Chemicals (India) Limited on the Financial Statements for the year ended March 31, 2021]

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) Fixed assets (Property, Plant and Equipment) 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 have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 3 on Property Plant and Equipment are held in the name of the Company.
- The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the Act'). Accordingly, the provisions stated in paragraph

3 (iii) (a) to (c) of the Order are not applicable to the Company.

- In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (c) According to the information and explanation given to us and examination of records of the Company, there are no dues of provident fund, employees' state insurance, income-tax, goods and service tax, excise duty, duty of customs and cess on account of any dispute, except as follows

Name of the statute	Nature of dues	Amount (INR in lakhs)	Amount paid under protest (INR in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax and Local Sales Tax Acts	Sales and value-added tax liabilities including interest and penalty, as applicable	2.27	Nil	from FY 1996-97 to FY 1998-99	High Court of Tamil Nadu
		331.79	122.27	FY 2004-05, FY 2006-07, FY 2008-09 and FY 2009-10	Sales Tax Appellate Tribunal
		237.17	53.82	FY 1998-99, FY 2002-03, FY 2003-04, FY 2005-06, FY 2007-08, FY 2009-10 and from FY 2012-13 to FY 2017-18	Commissioner (Appeals) at various level
Income Tax Act, 1961	Income tax liability including interest and penalty, as applicable	1,772.22	Nil	from FY 1982-83 to FY 1986-87, FY 1989-1990, FY 1991-1992, FY 1993-1994, FY 1995-1996, FY 1997-98, FY 1998-99, FY 2000-2001, FY 2001-2002 and FY 2011-2012	Income Tax Appellate Tribunal
		1,603.14	Nil	FY 2001-02, FY 2002-03, FY 2013-14, FY 2015-16 and FY 2020-21	Commissioner (Appeals) and Assessing Officer
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	73.74	Nil	from FY 2001-02 to FY 2003-04 and FY 2006-07	CESTAT
		281.44	Nil	from FY 1994-95 to FY 1997-98	Commissioner (Appeals) and Joint Commissioner (Appeals)
Finance Act, 1994	Service tax including interest and penalty, as applicable	1.64	Nil	from FY 2006-07 to FY 2009-10	CESTAT
		0.75	Nil	FY 1996-1997 and from FY 2002-03 to FY 2004-05	Commissioner (Appeals) and Assistant Commissioner (Appeals)

- viii. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company 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. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: May 19, 2021

Membership No.: 118247  
UDIN: 21118247AAAAAC4050

## ANNEXURE C TO INDEPENDENT AUDITOR'S REPORT

### Report of even date on the financial statements of Clariant Chemicals (India) Limited for the year ended March 31, 2021

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirement's in the Independent Auditor's Report of even date to the members of Clariant Chemicals (India) Limited on the Financial Statements for the year ended March 31, 2021]

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

We have audited the internal financial controls with reference to financial statements of Clariant Chemicals (India) Limited ('the Company') as of March 31, 2021 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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

### Auditor's Responsibility

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

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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

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

### Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,

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

### Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based

on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: May 19, 2021

Membership No.: 118247  
UDIN: 21118247AAAAAC4050

## BALANCE SHEET as at March 31, 2021

	Notes	31-03-2021	(₹ in Lakhs) 31-03-2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3A	14,001.80	18,354.30
(b) Capital work-in-progress	3D	860.67	331.51
(c) Goodwill	3B	894.11	894.11
(d) Right of use asset	22	57.37	3,474.05
(e) Financial assets			
(i) Loans	4	423.73	800.80
(f) Other non-current assets	5	1,261.45	1,812.61
(g) Non-current tax assets (net)		4,880.79	5,439.30
<b>Total Non-current assets</b>		<b>22,379.92</b>	<b>31,106.68</b>
<b>Current assets</b>			
(a) Inventories	6	13,471.87	12,571.43
(b) Financial assets			
(i) Investments	7	964.69	8,129.16
(ii) Trade receivables	8	16,978.38	14,791.50
(iii) Cash and cash equivalents	9	2,425.31	2,588.34
(iv) Bank balances other than (iii) above	9	798.98	611.62
(v) Loans	10	402.99	11.19
(vi) Other financial assets	11	14.40	9.98
(c) Other current assets	12	5,684.81	5,085.53
		40,741.43	43,798.75
(d) Assets classified as held for sale	13 & 42	1,782.27	19,440.18
<b>Total Current assets</b>		<b>42,523.70</b>	<b>63,238.93</b>
<b>TOTAL ASSETS</b>		<b>64,903.62</b>	<b>94,345.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	2,308.18	2,308.18
(b) Other equity	15	38,413.45	62,832.58
		40,721.63	65,140.76
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	16	657.16	1,069.83
(b) Deferred tax liabilities (net)	17	662.80	524.84
(c) Financial liabilities			
(i) Lease liabilities	22	20.53	2,391.95
<b>Total Non-current liabilities</b>		<b>1,340.49</b>	<b>3,986.62</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		784.42	399.52
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		17,062.66	13,137.50
(ii) Lease liabilities	22	32.79	826.12
(iii) Other financial liabilities	19	2,118.71	1,935.25
(b) Other current liabilities	20	247.69	450.53
(c) Provisions	21	989.05	897.56
(d) Current tax liabilities (net)		1,606.18	2,110.35
		22,841.50	19,756.83
(e) Liabilities directly associated with assets classified as held for sale	13 & 42	-	5,461.40
		22,841.50	25,218.23
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>64,903.62</b>	<b>94,345.61</b>
Significant accounting policies	1		
Critical estimates and judgements	2		

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **For MSKA & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

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

Mumbai, 19<sup>th</sup> May, 2021

For and on behalf of the Board,

**K. Handa** Chairman  
DIN: 00056826

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

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

**A. Agarwal** Interim Chief Financial  
Officer

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

Mumbai, 19<sup>th</sup> May, 2021

## STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

	Notes	Year ended 31-03-2021	(₹ in Lakhs) Year ended 31-03-2020
<b>REVENUE</b>			
Revenue from operations	23	73,077.00	75,727.85
Other income	24	1,478.52	1,750.28
<b>Total revenue</b>		<b>74,555.52</b>	<b>77,478.13</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	38,557.34	39,218.73
Purchase of stock-in-trade		5,566.66	6,925.68
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(673.67)	967.19
Employee benefits expense	27	6,348.70	6,203.13
Finance costs	28	259.67	383.40
Depreciation and amortisation expense	29	3,597.19	3,924.45
Other expenses	30	15,092.11	16,426.51
<b>Total Expenses</b>		<b>68,748.00</b>	<b>74,049.09</b>
<b>Profit before tax and exceptional item from continuing operations</b>		<b>5,807.52</b>	<b>3,429.04</b>
Exceptional items (Note 41)		25,479.88	-
<b>Profit before tax from continuing operations</b>		<b>31,287.40</b>	<b>3,429.04</b>
<b>Income Tax expense</b>			
Current tax (Including on exceptional item ₹ 7,014.29 lakhs)		8,585.01	1,368.70
Deferred tax		136.65	(338.54)
Tax expense of prior years		699.07	543.33
		9,420.73	1,573.49
<b>Net Profit for the period from continuing operations (after tax)</b>		<b>21,866.67</b>	<b>1,855.55</b>
Profit from discontinued operations before tax		170.81	3,634.04
Tax expense of discontinued operations		61.04	419.08
<b>Profit for the year from discontinued operations</b>		<b>109.77</b>	<b>3,214.96</b>
<b>Profit for the period from continuing and discontinued operations (after tax)</b>		<b>21,976.44</b>	<b>5,070.51</b>
<b>Other comprehensive Income / (Loss) from continuing operations (net of tax)</b>			
(Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		5.19	(242.76)
(b) Income tax relating to Items that will not be reclassified to profit or loss		(1.31)	44.25
		3.88	(198.51)
<b>Other comprehensive Income / (Loss) from discontinued operations (net of tax)</b>			
(Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		(71.68)	(115.41)
(b) Income tax relating to Items that will not be reclassified to profit or loss		18.04	13.92
		(53.64)	(101.49)
<b>Total comprehensive income for the year</b>		<b>21,926.68</b>	<b>4,770.51</b>
<b>Earnings per share (of ₹ 10 each)</b>	35	<b>94.74</b>	<b>8.03</b>
<b>Continuing operations</b>			
Basic and diluted (₹)		94.74	8.03
<b>Discontinued operations</b>			
Basic and diluted (₹)		0.48	13.93
<b>Continuing and discontinued operations</b>			
Basic and diluted (₹)		95.22	21.96

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **For MSKA & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

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

Mumbai, 19<sup>th</sup> May, 2021

For and on behalf of the Board,

**K. Handa** Chairman  
DIN: 00056826

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

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

**A. Agarwal** Interim Chief Financial  
Officer

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

Mumbai, 19<sup>th</sup> May, 2021

## STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Lakhs, unless otherwise stated)

Equity share capital and Other equity  
For the year ended 31-03-2021

Particulars	Equity Share Capital	Reserves and Surplus					Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve	Deemed Contribution from Parent	Retained Earnings	
<b>Balance as at 01-04-2020</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>329.46</b>	<b>50,785.33</b>	<b>62,832.58</b>
Profit for the year	-	-	-	-	-	21,976.44	21,976.44
Other comprehensive income for the year	-	-	-	-	-	(49.76)	(49.76)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,926.68</b>	<b>21,926.68</b>
Final dividend paid (₹ 11 per share)	-	-	-	-	-	(2,538.99)	(2,538.99)
1 <sup>st</sup> Interim dividend paid (₹ 140 per share)	-	-	-	-	-	(32,314.52)	(32,314.52)
2 <sup>nd</sup> Interim dividend paid (₹ 50 per share)	-	-	-	-	-	(11,540.90)	(11,540.90)
Recognition of share based expenses during the year	-	-	-	-	48.60	-	48.60
<b>Balance as at 31-03-2021</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>378.06</b>	<b>26,317.60</b>	<b>38,413.45</b>

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	
<b>Balance as at 01-04-2019</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>237.34</b>	<b>47,379.38</b>	<b>59,334.51</b>
Profit for the year	-	-	-	-	-	5,070.51	5,070.51
Other comprehensive income for the year	-	-	-	-	-	(300.00)	(300.00)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,770.51</b>	<b>4,770.51</b>
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	-
<b>Balance as at 31-03-2020</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>329.46</b>	<b>50,785.33</b>	<b>62,832.58</b>

## Nature and purpose of reserves

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

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **For MSKA & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W**Vishal Vilas Divadkar**  
Partner  
Membership No. 118247Mumbai, 19<sup>th</sup> May, 2021

For and on behalf of the Board,

**K. Handa** Chairman  
DIN: 00056826**A. Agarwal** Interim Chief Financial OfficerMumbai, 19<sup>th</sup> May, 2021**A. Ahmad** Vice-Chairman & Managing Director  
DIN: 00046742**Dr. I. Shahani** Director  
DIN: 00112289**A. Joshi** Company Secretary  
Membership No. A22502

## CASH FLOW STATEMENT for the year ended March 31, 2021

	₹ Lakhs	
	Year ended 31-03-2021	Year ended 31-03-2020
<b>A. Cash flow from operating activities :</b>		
<b>Profit before tax</b>		
Continuing operations	31,287.40	3,429.04
Discontinued operations	170.81	3,634.04
<b>Profit before tax including discontinued operations</b>	<b>31,458.21</b>	<b>7,063.08</b>
Adjustments for :		
Depreciation and amortisation expense	3,597.19	4,474.69
Unrealised foreign exchange loss/(gain) (net)	58.55	(97.10)
Finance income	(93.93)	(38.22)
Dividend income	-	(31.87)
(Profit) / Loss on sale of property, plant and equipment	271.00	(140.29)
Fair value gain on investments	(313.95)	(135.03)
Provision for expenses on employee stock options	48.61	118.88
Provision for allowances for credit losses	78.39	29.01
Finance costs	265.11	383.40
Profit on termination of Lease	(269.45)	-
Profit on sale of Additives business	-	(845.63)
Exceptional Item (Profit on sale on Masterbatch business)	(25,479.88)	-
<b>Operating profit before working capital changes</b>	<b>9,619.85</b>	<b>10,780.92</b>
<b>Adjustments for (Increase)/Decrease in working capital :</b>		
Adjustments for (Increase)/Decrease in working capital :		
Trade receivables	(1,753.93)	(709.39)
Other current assets	(470.69)	911.59
Other non current assets	537.92	(35.20)
Other financial assets	(380.19)	236.26
Inventories	(551.22)	1,456.39
Trade payables	1,803.53	(975.27)
Non current provisions	37.43	(48.05)
Current provisions	24.86	(378.51)
Other current liabilities	(678.40)	165.17
Other financial liabilities	(126.75)	(35.55)
<b>Cash generated from operations</b>	<b>8,062.41</b>	<b>11,368.36</b>
Taxes paid (net of refunds)	(2,394.77)	(1,261.30)
<b>Net cash generated from operating activities</b>	<b>5,667.64</b>	<b>10,107.06</b>

	₹ Lakhs	
	Year ended 31-03-2021	Year ended 31-03-2020
<b>B. Cash flow from investing activities :</b>		
Purchase of property, plant and equipment (Including Capital work-in-progress)	(957.72)	(2,458.71)
Sale proceeds of property, plant and equipment	19.91	215.98
Purchase of current investments	(103,390.62)	(153,387.80)
Sale proceeds of current investments	110,869.04	146,600.77
Consideration received on sale of Master Batch business (Net of expenses incurred)	41,892.02	-
Consideration received on sale of Additives business (Net of expenses incurred)	-	1,377.29
Interest received	111.48	27.98
Dividend received	-	31.87
<b>Cash generated from investing activities</b>	<b>48,544.11</b>	<b>(7,592.62)</b>
Taxes paid on sale of Master Batch business	(7,014.93)	-
Taxes paid on sale of Additives business	-	(196.62)
<b>Net cash generated from / (used in) investing activities</b>	<b>41,529.18</b>	<b>(7,789.24)</b>
<b>C. Cash flow from financing activities :</b>		
Finance costs paid	(26.03)	(46.78)
Dividend paid	(46,394.41)	(1,154.09)
Dividend distribution tax paid	-	(237.23)
Principal payment of lease liability	(705.50)	(775.89)
Interest payment of lease liabilities	(233.91)	(329.00)
<b>Net Cash (used in) financing activities</b>	<b>(47,359.85)</b>	<b>(2,542.99)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASHEQUIVALENTS (A+B+C)</b>	<b>(163.03)</b>	<b>(225.17)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<b>2,588.34</b>	<b>2,813.51</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (Refer note 9)</b>	<b>2,425.31</b>	<b>2,588.34</b>
<b>Cash flow for discontinued operations</b>		
Net cash (outflow) / inflow from operating activities	(973.25)	4,288.56
Net cash (outflow) / inflow from investing activities	(102.69)	890.00
Net cash (outflow) / inflow from financing activities	-	-
Net increase in cash (used in) / generated by the discontinued operation	(1,075.94)	5,178.56
<b>Non cash financing and investing activities</b>		
Acquisition of right of use assets on account of adoption of Ind AS 116	-	3,994.34

In terms of our report attached

For **For MSKA & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

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

Mumbai, 19<sup>th</sup> May, 2021

For and on behalf of the Board,

**K. Handa** Chairman  
DIN: 00056826

**A. Agarwal** Interim Chief Financial  
Officer

Mumbai, 19<sup>th</sup> May, 2021

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2021

**Company Information:**

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

**Note 1: Summary of Significant accounting policies**

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

**(a) Basis of preparation of financial statements:****Compliance with Ind AS**

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

**Historical cost convention**

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

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

**Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are: Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc. Statement of profit and loss.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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**

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

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

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

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

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

**(e) Other income**

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

**(f) Income tax**

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

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

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

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

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

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

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

**(g) Leases**

**i. As a Lessee:**

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

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

- Lease payments less any lease incentives receivable

- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees, if any

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

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

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

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

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

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

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

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the note 1(h) impairment of assets. Variable rents that do

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

**ii. As a lessor:**

Lease income from operating leases where the Company is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The Company did not need to make any adjustment to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**(h) Impairment of assets**

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

**(i) Cash and cash equivalents**

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

**(j) Assets held for sale and discontinued operations**

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax assets, assets arising from employee benefits financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition. Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognized. Assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities for assets held for sale are presented separately from other liabilities in the balance sheet.

**(k) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses.

**(l) Inventories**

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

Raw materials, packing materials, work in progress, finished goods, stock-in-trade and stores and spares are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade include cost of purchases. Cost of work-in-progress and finished goods include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure (allocated on the basis of normal operating capacity). Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

**Classification**

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

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

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

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

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

**Measurement**

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

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

**Debt instruments**

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on

a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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

**Equity instruments**

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

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

**Impairment of financial assets**

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 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 asset's residual values and useful lives are re-viewed, and adjusted if appropriate, at the end of each reporting period.

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

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

**(p) Investment properties**

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

**(q) Goodwill**

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

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

**(r) Intangible assets****Trademarks**

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

**Amortisation methods and periods**

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

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

**(s) Trade and other payables**

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

**(t) Provisions and Contingent Liabilities**

Provisions are recognised when there is a present or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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

**(u) Employee benefits****Short-term obligations**

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



**Other long-term employee benefit obligations**

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

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

**Post-employment obligations**

The Company operates the following post-employment schemes:

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

**Defined Benefit Plans**

The company has Defined Benefit Plans for post-employment benefits in the form of Provident Fund (treated as a Defined Benefit Plan on account of guaranteed interest benefit) and Gratuity. Provident Fund and Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/or LIC. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

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

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

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

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

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

**Defined contribution plans**

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

**Share-based payments**

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

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

**Bonus plans**

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

**Termination benefits**

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

**(v) Contributed equity**

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

**(w) Dividends**

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

**(x) Earnings per share****Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**Diluted earnings per share**

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

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

**(y) Rounding of amounts**

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

**Note 2: Critical estimates and judgements**

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

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

The areas involving critical estimates or judgements are:

- Estimation of taxes - Note 34
- Estimated goodwill impairment - Note 3B.
- Estimation for the accounting of employee benefits - Note 38
- 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) and 22.

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

**Impact of COVID-19:**

Following the COVID-19, a country 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.

The Company has resumed operations in a phased manner in line with directives from the authorities and during the quarter ended September 30, 2020 operations have gradually come back to normalcy, though challenges exists.

An assessment conducted by the management 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.

Notes forming part of the financial statements for the year ended March 31, 2021

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

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

Description	Gross block				Depreciation / Amortisation				Net block		
	As at 01-04-2019	Additions	Deductions	Asset classified as held for sale (Refer Note 42(c))	As at 31-03-2020	As at 01-04-2019	Deductions	For the year	Asset classified as held for sale (Refer Note 42(c))	As at 31-03-2020	As at 31-03-2020
<b>3A Property, plant and equipment</b>											
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
<b>Total</b>	<b>41,616.22</b>	<b>3,917.11</b>	<b>434.74</b>	<b>11,445.60</b>	<b>33,652.99</b>	<b>15,383.82</b>	<b>349.13</b>	<b>3,389.60</b>	<b>3,591.29</b>	<b>14,833.00</b>	<b>18,819.99</b>
<b>Less : Transfer to Right to use assets (Lease Hold Land)</b>	(770.87)	-	-	(280.26)	(490.61)	(38.60)	-	(8.81)	(22.49)	(24.92)	(465.69)
<b>Total</b>	<b>40,845.35</b>	<b>3,917.11</b>	<b>434.74</b>	<b>11,165.34</b>	<b>33,162.38</b>	<b>15,345.22</b>	<b>349.13</b>	<b>3,380.79</b>	<b>3,568.80</b>	<b>14,808.08</b>	<b>18,354.30</b>
<b>3B Goodwill</b>											
Goodwill	4,023.65	-	-	3,129.54	894.11	-	-	-	-	-	894.11
<b>3C Other intangible assets</b>											
Trademarks	1,214.52	-	-	1,214.52	-	556.37	-	98.70	655.07	-	-
Non compete fees	53.00	-	-	-	53.00	53.00	-	-	-	53.00	-
<b>Total</b>	<b>1,267.52</b>	<b>-</b>	<b>-</b>	<b>1,214.52</b>	<b>53.00</b>	<b>609.37</b>	<b>-</b>	<b>98.70</b>	<b>655.07</b>	<b>53.00</b>	<b>-</b>
<b>3D Capital work-in-progress</b>											
3D Capital work-in-progress	2,145.91	2,175.64	3,915.53	74.51	331.51	-	-	-	-	-	331.51

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

Buildings include ₹ 450/- (31-03-2020 : ₹ 450/-) being the cost of shares in co-operative housing society

**Note 3B: Goodwill**

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

The recoverable amount of the CGU is determined based on a value in use calculation which uses cash flow projections covering a five-year period and a discount rate 11.05% per annum (31-03-2020 : 12.60% per annum). Cash flow projections during the five year period are based on the historical growth rate and margins. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum (31-03-2020 : 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, 2021

	As at 31-03-2021 ₹ Lakhs	As at 31-03-2020 ₹ Lakhs
<b>4 Non-current financial assets : Loans</b>		
Security and other deposits (Unsecured, considered good)	415.71	796.45
Loans to employees	8.02	4.35
	<b>423.73</b>	800.80
Break-up of security details		
Unsecured, considered good	423.73	800.80
<b>5 Other non-current assets</b>		
Capital advances	53.04	66.28
Indirect taxes recoverable	1,199.86	1,728.81
Prepayments	8.55	17.52
	<b>1,261.45</b>	1,812.61
<b>6 Current assets : Inventories</b>		
(Valued at the lower of cost and net realisable value)		
Raw materials	4,496.13	4,340.41
Packing materials	255.09	219.54
Work-in-progress	2,944.49	2,493.19
Finished goods	4,458.06	4,175.76
Stock-in-trade	852.29	1,024.27
Stores and spares	465.81	318.26
	<b>13,471.87</b>	12,571.43
<b>Included above, goods in transit</b>		
Raw materials	290.03	219.52
Stock-in-trade	485.66	634.98
	<b>775.69</b>	854.50
<b>7 Current financial assets : Investments</b>		
<b>Unquoted Investments ( All fully paid)</b>		
<b>Investments in Mutual funds</b>		
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
UTI Mutual Fund - Overnight Fund - Growth	964.69	-
	<b>964.69</b>	8,129.16
Of the above, investments mandatorily measured at FVTPL	<b>964.69</b>	8,129.16

Notes forming part of the financial statements for the year ended March 31, 2021

	As at 31-03-2021 ₹ Lakhs	As at 31-03-2020 ₹ Lakhs
<b>8 Current financial assets : Trade receivables</b>		
Secured, considered good	364.68	491.62
Unsecured, considered good	16,613.70	14,528.34
Unsecured, considered doubtful	152.49	116.75
	17,130.87	15,136.71
Less: Allowances for credit losses	152.49	345.21
	16,978.38	14,791.50
<b>9 Current financial assets : Cash and bank balances</b>		
<b>Cash and cash equivalents :</b>		
Cash on hand	0.51	1.58
In current accounts	1,914.80	2,448.83
Term deposits with original maturity of less than three months	510.00	137.93
	2,425.31	2,588.34
<b>Other bank balances :</b>		
Earmarked current account : Unclaimed dividend	798.98	611.62
	798.98	611.62
<b>10 Current financial assets : Loans</b>		
Security and other deposits (Unsecured, considered good)	393.71	2.50
Loans to employees	9.28	8.69
	402.99	11.19
Break-up of security details		
Unsecured, considered good	402.99	11.19
<b>11 Current financial assets : Others</b>		
Unbilled Revenue	-	0.06
Non trade receivables	14.40	9.92
	14.40	9.98
<b>12 Other current assets</b>		
Advances to suppliers	496.38	1,141.37
Balance with Government authorities	3,828.82	3,418.02
Prepayments	118.72	111.38
Export incentives receivable	758.02	402.55
Other current assets	482.87	12.21
	5,684.81	5,085.53
<b>13 Assets / (Liabilities) classified as held for sale</b>		
Assets classified as held for sale (Refer note 41)	1,782.27	19,440.18
Liabilities directly associated with assets classified as held for sale (Refer note 41)	-	(5,461.40)
	1,782.27	13,978.78

Notes forming part of the financial statements for the year ended March 31, 2021

	As at 31-03-2021 ₹ Lakhs	As at 31-03-2020 ₹ Lakhs
<b>14 Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 equity shares of ₹ 10/- each	3000.00	3000.00
<b>Issued, subscribed and paid up</b>		
2,30,81,798 equity shares of ₹ 10/- each fully paid up (31-03-2020 : 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 31-03-2021		As at 31-03-2020	
	Number	₹	Number	₹
<b>Equity shares :</b>				
Outstanding as at the beginning of the year	2,30,81,798	2308.18	2,30,81,798	2,308.18
Outstanding as at the end of the year	2,30,81,798	2308.18	2,30,81,798	2,308.18

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

Name of Shareholder	As at 31-03-2021		As at 31-03-2020	
	Number	Percentage	Number	Percentage
EBITO Chemiebetreibungen AG *	41,09,426	17.80%	41,09,426	17.80%
Clariant Plastic & Coating AG *	-	-	76,62,624	33.20%
Colorants International AG *	76,62,624	33.20%	-	-

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

**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, 2021)**

No Equity Shares bought back during 5 financial years immediately preceding March 31, 2021

**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 May 19, 2021, recommended the payment of final dividend of ₹ 15 per equity share for the financial year ended March 31, 2021. 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 ₹ 3,462 Lakhs.

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.

Notes forming part of the financial statements for the year ended March 31, 2021

	As at 31-03-2021 ₹ Lakhs	As at 31-03-2020 ₹ Lakhs
<b>15 Other equity</b>		
Capital reserve	730.11	730.11
Capital redemption reserve	495.39	495.39
General reserve	10,492.29	10,492.29
Deemed contribution from parent (Refer Note 39)	378.06	329.46
Retained earnings	26,317.60	50,785.33
	<b>38,413.45</b>	62,832.58
<b>16 Non - current liabilities : Provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	584.03	566.80
Gratuity	73.13	503.03
	<b>657.16</b>	1,069.83
<b>17 Deferred tax liabilities (Net)</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment and investment properties	894.40	1,561.84
Intangible assets	-	77.48
Goodwill	225.04	-
	<b>1,119.44</b>	1,639.32
<b>Deferred tax for assets</b>		
Allowance credit losses and doubtful receivables	38.38	86.89
Provision for employee benefits	260.32	473.36
Other provisions	154.97	187.01
Others	2.97	3.67
	<b>456.64</b>	750.93
<b>Deferred Tax on Discontinued operations</b>	-	(363.55)
	<b>662.80</b>	524.84

Notes forming part of the financial statements for the year ended March 31, 2021

<b>Movements in deferred tax liabilities (net) for the year ended 31-03-2021</b>					₹ Lakhs
Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Discontinued Operations	Closing balance
Property, plant and equipment and investment properties	1,129.66	(235.26)	-	-	894.40
Goodwill	-	225.04	-	-	225.04
Other Intangible assets	-	(2.97)	-	-	(2.97)
Allowance credit losses and doubtful receivables	(51.37)	12.99	-	-	(38.38)
Provision for employee benefits	(362.77)	101.14	1.31	-	(260.32)
Other provisions	(187.01)	32.04	-	-	(154.97)
Others	(3.67)	3.67	-	-	-
Net Deferred tax Liabilities / (Assets)	<b>524.84</b>	<b>136.65</b>	<b>1.31</b>	-	<b>662.80</b>
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
Other Intangible assets	112.75	(35.27)	-	(77.48)	-
Allowance 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
<b>18 Current financial liabilities : Trade payables</b>					
Trade Payables:					
- Total outstanding dues of micro and small enterprises (Refer Note 36)		784.42			399.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		17,062.66			13,137.50
		<b>17,847.08</b>			13,537.02
<b>19 Current financial liabilities : Others</b>					
Security and other deposits		468.49			456.53
Employee benefits payable		778.82			731.18
Payables for capital expenditure		13.33			75.20
Accrued liabilities		59.09			60.72
Unclaimed dividend *		798.98			611.62
		<b>2,118.71</b>			1,935.25

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

Notes forming part of the financial statements for the year ended March 31, 2021

	As at 31-03-2021 ₹ Lakhs	As at 31-03-2020 ₹ Lakhs
<b>20 Other current liabilities</b>		
Advances from customers - Contract liabilities *	87.54	282.18
Statutory dues (including provident fund and withholding taxes)	150.68	144.85
Other liabilities	9.47	23.50
	<b>247.69</b>	450.53
* There has been no significant change in the contract liabilities and entire amount has been recognised as a revenue during current year from opening contract liabilities.		
<b>21 Current liabilities : Provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	127.09	114.44
Gratuity	250.00	250.00
<b>Other Provisions</b>		
Provision for indirect tax matters	611.96	533.12
	<b>989.05</b>	897.56
<b>21a Movements in provision for indirect tax matters</b>		
Opening balance	533.26	867.12
Provision during the period	78.70	134.16
Amount utilised	-	(468.02)
<b>Closing balance</b>	<b>611.96</b>	533.26
The provision for indirect tax matters is an estimated amount to be paid to various government authorities on settlement of disputes at various forums.		
<b>22 Leases</b>		
<b>22A Right-of-use assets</b>		
Building	48.91	3,008.36
Land	8.46	465.69
	<b>57.37</b>	3,474.05
<b>22B Current Lease liabilities</b>		
Lease liabilities	32.79	826.12
	<b>32.79</b>	826.12
<b>22C Non-Current Lease liabilities</b>		
Lease liabilities	20.53	2,391.95
	<b>20.53</b>	2,391.95
	Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
<b>23 Revenue from operations (Refer Note 42)</b>		
<b>Revenue from contracts with customers</b>		
Sale of products	68,841.61	71,991.97
Sale of services	3,016.08	2,476.92
<b>Other operating revenue</b>		
Export incentives	653.50	879.17
Commission income	277.97	276.79
Reversal of provision for credit losses	192.71	-
Scrap sale	95.13	103.00
	<b>73,077.00</b>	75,727.85

Notes forming part of the financial statements for the year ended March 31, 2021

	Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
<b>24 Other income</b>		
<b>Interest income on financial assets at amortised cost</b>		
Fixed deposits	79.76	6.74
Others	9.11	31.48
<b>Dividend Income from :</b>		
Financial assets mandatorily measured at FVTPL	-	31.87
<b>Rental income</b>		
Sublease of office premises	806.25	1,029.19
<b>Other gains and losses</b>		
Net Gain on disposal of property, plant and equipment	-	138.67
Foreign exchange gain (net)	-	377.30
Net gain on financial assets mandatorily measured at FVTPL	313.95	135.03
Net gain on termination of Lease	269.45	-
	<b>1,478.52</b>	1,750.28
<b>25 Cost of materials consumed *</b>		
Raw materials consumed	37,234.00	37,756.40
Packing materials consumed	1,323.34	1,462.33
	<b>38,557.34</b>	39,218.73
* Cost of materials consumed is based on derived values.		
<b>26 Changes in inventories</b>		
<b>Opening inventories</b>		
Finished goods	4,175.54	4,599.34
Stock-in-trade	912.44	800.80
Work - in - progress	2,493.19	3,148.22
	<b>7,581.17</b>	8,548.36
<b>Less: Closing inventories</b>		
Finished goods	4,458.06	4,175.54
Stock-in-trade	852.29	912.44
Work - in - progress	2,944.49	2,493.19
	<b>8,254.84</b>	7,581.17
Changes in inventories	<b>(673.67)</b>	967.19
<b>27 Employee benefits expense</b>		
Salaries, wages, bonus, etc.	4,996.06	4,691.77
Gratuity and Ex gratia gratuity	237.85	178.61
Provident fund	249.27	236.25
Contribution to superannuation fund	85.93	100.81
Share based payments (Refer Note 39)	48.61	118.88
Staff welfare expenses	730.98	876.81
	<b>6,348.70</b>	6,203.13

Notes forming part of the financial statements for the year ended March 31, 2021

	Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
<b>28 Finance costs</b>		
Interest expenses - on financial liability at amortised cost	25.76	54.78
Interest cost on lease liabilities	233.91	328.62
	<b>259.67</b>	383.40
<b>29 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment	2,822.62	2,830.96
Depreciation on right-of-use assets	774.57	994.79
Amortisation of intangible assets	-	98.70
	<b>3,597.19</b>	3,924.45
<b>30 Other expenses</b>		
Stores and spare parts etc. consumed	256.89	224.98
Repairs and maintenance :		
Plant and machinery	1,178.73	1,416.66
Buildings	244.15	354.87
Others	226.58	265.82
Power and fuel	4,193.33	4,607.96
Rent (including lease payments)	99.05	28.95
Rates and taxes (including water charges)	438.86	1,516.47
Insurance	264.25	211.93
Clearing, forwarding and transport	1,852.50	1,616.19
Travelling and conveyance	110.25	419.61
Commission	30.86	112.27
Royalty	50.13	54.76
Legal and consultancy	302.12	399.03
Information technology services	815.59	1,094.73
Payment to statutory auditors :		
As auditors	18.50	19.58
For other services	-	19.95
For reimbursement of expenses	0.29	2.94
Loss on sale of property, plant and equipment	262.02	-
Allowances for credit losses	-	50.94
Bad debts written off	-	55.40
Less: Utilisation of loss allowance on trade receivables	-	(55.40)
Foreign exchange loss (net)	163.82	-
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 37)	29.87	52.25
Service charges	797.20	1,320.40
Miscellaneous expenses	3,757.12	2,636.22
	<b>15,092.11</b>	16,426.51

Notes forming part of the financial statements for the year ended March 31, 2021

	Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
<b>31 Reconciliation of income tax expenses with accounting profit</b>		
Profit before tax from continuing operations	31,287.40	3,429.04
Profit before tax from discontinued operations	170.81	3,634.04
	<b>31,458.21</b>	7,063.08
Income tax using the Company's domestic tax rate @ 25.17% (PY 25.17%)	7,918.03	1,777.78
Effect of expenses that are deductible in determining taxable profit	(837.76)	(1,274.80)
Effect of expenses that are not deductible in determining taxable profit	2,265.48	1,396.66
Effect of income that is not taxable	-	(8.02)
Effect on deferred tax balances due to the change in income tax rate	-	(432.89)
Effect of Income tax on different rates	(563.05)	(9.49)
Effect of tax adjustments of prior years (net) *	699.07	543.33
	<b>9,481.77</b>	1,992.57
Income tax expense recognised in profit or loss of continuing operations	8,721.66	1,030.16
Income tax expense recognised in profit or loss of discontinued operations	61.04	419.08
Effect of tax adjustments of prior years (net) *	699.07	543.33
	<b>9,481.77</b>	1,992.57

\* The Company has written off income tax receivables (net) of ₹ 220.40 lakhs basis the detailed evaluation performed by the Company for some of the long outstanding past years and balance amount of ₹ 478.67 lakhs pertains to amount of tax actualised for previous year ended March 31, 2020. Previous year includes provision of ₹ 543.33 lakhs towards Vivad se Vishwas scheme.

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 31-03-2021. The Company is not subject to any externally imposed capital requirements.

#### Categories of financial instruments

	₹ Lakhs	
Particulars	31-03-2021	31-03-2020
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Cash and bank balances	3,224.29	3,199.96
Trade receivables	16,978.38	18,499.46
Loans	826.72	965.72
Other financial assets	14.40	9.98
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Mandatorily measured - Investments in mutual funds	964.69	8,129.16
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade payables	17,847.08	17,523.61
Other financial liabilities	2,172.03	2,599.25

Notes forming part of the financial statements for the year ended March 31, 2021

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	31-03-2021	31-03-2020
<b>Amount receivable</b>		
USD (Amount in foreign currency)	<b>7,398,785.48</b>	6,326,306.34
₹ in Lakhs	<b>5,413.91</b>	4,773.66
EURO (Amount in foreign currency)	<b>171,023.29</b>	92,678.08
₹ in Lakhs	<b>147.51</b>	76.62
<b>Amount payable</b>		
USD (Amount in foreign currency)	<b>1,846,343.12</b>	2,198,877.47
₹ in Lakhs	<b>1,345.29</b>	1,660.38
EURO (Amount in foreign currency)	<b>1,659,802.26</b>	1,727,861.59
₹ in Lakhs	<b>1,424.43</b>	1,428.23
CHF (Amount in foreign currency)	<b>144,305.67</b>	215,876.07
₹ in Lakhs	<b>111.59</b>	168.37
SGD (Amount in foreign currency)	<b>44,162.81</b>	-
₹ in Lakhs	<b>24.04</b>	-

Notes forming part of the financial statements for the year ended March 31, 2021

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	31-03-2021		31-03-2020	
	1% strengthening	1% weakening	1% strengthening	1% weakening
	USD	<b>(40.69)</b>	<b>40.69</b>	(31.13)
EURO	<b>12.77</b>	<b>(12.77)</b>	13.52	(13.52)
CHF	<b>1.12</b>	<b>(1.12)</b>	1.68	(1.68)
SGD	<b>0.24</b>	<b>(0.24)</b>	-	-

#### 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	31-03-2021	31-03-2020
Within credit period	<b>17,130.87</b>	15,630.38
Past dues:		
upto 60 days	<b>965.00</b>	2,811.12
61 to 180 days	<b>2.67</b>	253.14
more than 180 days	<b>171.13</b>	150.03
Allowance for life time expected credit Loss on trade receivables	<b>152.49</b>	345.21

#### Movement in the credit loss allowance

Particulars	31-03-2021	31-03-2020
Balance at the beginning of the year	<b>345.21</b>	371.60
Allowance for expected credit loss on trade receivable	<b>(192.72)</b>	29.01
Bad Debts write off	-	(55.40)
Balance at the end of the year	<b>152.49</b>	345.21

Notes forming part of the financial statements for the year ended March 31, 2021

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

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

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

Particulars	₹ Lakhs		
	Less than 1 year	1 to 5 years	5 years and above
<b>As at 31-03-2021</b>			
Trade payables	17,847.08	-	-
Lease liabilities	32.79	20.53	-
Other financial liabilities	2,172.03	-	-
<b>As at 31-03-2020</b>			
Trade payables	17,523.61	-	-
Lease liabilities	1,081.41	2,692.45	-
Other financial liabilities	2,599.25	-	-

**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)
	31-03-2021	31-03-2020		
	Financial assets at fair value through profit or loss	964.69		

**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)**

	₹ Lakhs	
	31-03-2021	31-03-2020
<b>(a) Contingent liabilities :</b>		
(i) in respect of income tax matters	3,798.58	2,938.83
(ii) in respect of sales tax / VAT matters	472.26	505.62
(iii) in respect of excise / service tax matters	357.00	357.00
(iv) Other matters in dispute	234.82	234.82

There are certain cases where the amounts are currently not determinable. The Company has commissioned an exercise to seek additional details with respect to such cases. The Company would accordingly record / disclose such amounts when they are reasonably determinable. However, basis management's best estimates no material impact on the financial position and performance of the Company is envisaged.

Notes forming part of the financial statements for the year ended March 31, 2021

	₹ Lakhs	
	31-03-2021	31-03-2020
<b>(b) Commitments :</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	437.55	212.84

**35 Earnings per share from continuing and discontinued operations :**

	₹ Lakhs	
	31-03-2021	31-03-2020
<b>(a) Basic and diluted earnings per share ( Amount in Rupees)</b>	<b>95.22</b>	21.96
Continuing operations	94.74	8.03
Discontinued operations	0.48	13.93
<b>(b) Profit attributable to the equity holder of the company (in Lakhs)</b>	<b>21,976.44</b>	5,070.51
Continuing operations	21,866.67	1,855.55
Discontinued operations	109.77	3,214.96
<b>Weighted average number of equity shares (Numbers)</b>	<b>23,081,798</b>	23,081,798

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

**36 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	
	31-03-2021	31-03-2020
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	258.68	3.72
(b) Principal amount not due to suppliers registered under the MSMED Act and remaining unpaid as at year end	525.73	395.80
(c) Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.76	0.05
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,605.47	2,769.39
(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	5.17	9.16
(h) Further interest remaining due and payable for earlier years	67.41	58.20



Notes forming part of the financial statements for the year ended March 31, 2021

**37 Corporate Social responsibility**

(a) Gross amount required to be spent by the company during the year ₹ 69.16 Lakhs ( Previous year : ₹ 54.86 Lakhs)

(b) Amount spent during the year on :

Particulars	Year ended 31-03-2021			Year ended 31-03-2020		
	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	29.87	-	29.87	52.25	-	52.25

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

	Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
	Funded	Funded
<b>(i) Expenses recognised in the statement of profit and loss for the year</b>		
1 Current service cost	189.22	193.23
2 Interest cost	48.63	42.20
3 Expense recognised in statement of profit and loss	237.85	235.43
<b>(ii) Expenses recognised in other comprehensive income</b>		
1 Return on plan assets	(5.93)	55.93
2 Loss / (Gain) from change in financial assumptions	26.78	205.46
3 Experience (Gain)/Loss	(26.04)	96.86
4 (Income) / Expense recognised in Other comprehensive income	(5.19)	358.25
<b>(iii) Actual return on plan assets for the year</b>		
1 Expected return on plan assets	146.24	168.16
2 Actuarial gain on plan assets	5.93	(55.93)
3 Actual return on plan assets	152.17	112.23
<b>(iv) Net asset/(liability) recognised in the balance sheet as at the year end</b>		
1 Present value of the defined benefit obligation	2,641.43	3,169.52
2 Fair value of plan assets	2,318.30	2,180.33
3 Net (liability)/asset recognised in the balance sheet	(323.13)	(989.19)
<b>(v) Change in defined benefit obligation during the year</b>		
1 Present value of obligation at the beginning of the year	3,169.52	2,810.11
2 Current service cost	189.22	193.23
3 Interest cost	194.87	210.36
4 Benefits paid	(220.11)	(258.03)
5 Actuarial (Gain)/Loss on obligation	0.74	302.32
6 Transfer (out)	(692.81)	(88.47)
7 Present value of obligation as at the end of the year	2,641.43	3,169.52

Notes forming part of the financial statements for the year ended March 31, 2021

	Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
	Funded	Funded
<b>(vi) Changes in fair value of plan asset during the year</b>		
1 Fair value of plan assets as at the beginning of the year	2,180.33	2,147.50
2 Expected return on plan assets	146.24	168.16
3 Contributions made	898.72	267.10
4 Transfer (out) on account of business acquisition / sale and employees transfer	(692.81)	(88.47)
5 Benefits paid	(220.11)	(258.03)
6 Actuarial gain on plan assets	5.93	(55.93)
7 Fair value of plan assets as at the end of the year	2,318.30	2,180.33
<b>(vii) Major categories of plan assets as a percentage of total plan assets</b>		
1 Government debt instruments	56%	29%
2 Other debt instruments	29%	27%
3 Insurer managed funds	14%	33%
4 Others	1%	11%
<b>(viii) Actuarial assumptions</b>		
1 Discount rate	6.80%	6.95%
2 Expected rate of return on plan assets	6.80%	6.95%
3 Salary escalation	6.0%-9.0%	6.0%-9.0%
<b>(ix)</b> The company expects to contribute ₹ 250.00 Lakhs (Previous year : ₹ 250.00 Lakhs) to the funded gratuity plans in the next year.		
	31-03-2021	31-03-2020
<b>(b) Sensitivity analysis</b>		
<b>Impact of increase in 25 bps on DBO</b>		
1 Discount Rate Gratuity	-1.68%	-1.88%
2 Salary Escalation Gratuity	1.71%	1.91%
<b>Impact of decrease in 25 bps on DBO</b>		
1 Discount Rate Gratuity	1.73%	1.94%
2 Salary Escalation Gratuity	-1.66%	-1.86%

Notes forming part of the financial statements for the year ended March 31, 2021

- (c) The weighted average duration of the defined benefit obligation is 7.00 years for gratuity.

The expected maturity analysis for Gratuity is as follows:

	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
Expected benefits for year 1	349.68	402.24
Expected benefits for year 2	401.05	265.38
Expected benefits for year 3	204.05	434.13
Expected benefits for year 4	304.14	248.19
Expected benefits for year 5	313.76	315.10
Expected benefits for year 6	238.92	326.86
Expected benefits for year 7	170.57	304.51
Expected benefits for year 8	239.33	293.03
Expected benefits for year 9	154.39	265.66
Expected benefits for year 10 and above	2,298.77	3301.02

- (d) Gratuity is administered through duly constituted and approved independent trusts and also through Group gratuity scheme with Life Insurance Corporation of India.

- (e) Future salary increases considered in actuarial valuation take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- (f) Basis used to determine expected rate of return on plan assets:

The expected rate of return on plan assets is based on market expectation at the beginning of the year for returns over the entire life of the related obligation.

(2) Other long term benefits	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
Compensated absences	711.12	891.47

(3) Provident fund	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
Defined benefit obligation	3,960.40	3,540.31
Fund assets	3,767.30	3,540.31
Net liability	193.10	-
Actuarial assumptions		
1 Discount rate	6.80%	6.95%
2 Average historic yield on the portfolio	7.09%	7.77%
3 Discount rate for the remaining term to maturity of the portfolio	6.20%	5.65%
4 Expected investment return	7.69%	9.07%
5 Guaranteed rate of return	8.50%	8.50%

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, 2021

### 39 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	31-03-2021		31-03-2020	
	GSM-LTIP	PSU	GSM-LTIP	PSU
Outstanding at the beginning of the year	13,064	17,320	2,174	23,385
Granted during the year	12,251	-	10,890	-
Forfeited during the year	-	(3,097)	-	(2,319)
Exercised and vested during the year	(2,174)	(11,334)	-	-
Expired during the year	-	-	-	(3,746)
Outstanding at the end of the year	23,141	2,889	13,064	17,320
Weighted average fair value of the shares granted during the year ended (in CHF per share)	12.87	-	15.91	-
Weighted average remaining contractual life	1.87 Years	0.47 Years	1.85 years	0.38 years

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

### 40 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) upto 05.07.2020
  - Colorants International AG wef 06.07.2020
  - EBITO Chemieeteiligungen AG

Notes forming part of the financial statements for the year ended March 31, 2021

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

<b>Fellow subsidiary companies :</b>	
Colorants Solutions Singapore	Clariant Medical Specialties India Limited
Clariant India Limited	Clariant Plastic & Coating AG
Clariant Services (Poland) Sp. z.o.o.	Clariant Plastics & Coating USA Inc
Clariant International AG	Clariant Plastics & Coatings (Deutschland) GmbH
Clariant (Singapore) Pte. Ltd.	Clariant Plastics & Coatings (Japan) K.K.
Colorants International AG	Clariant Plastics & Coatings (Taiwan) Co., Ltd.
Colorants Solutions Deutschland Gmb	Clariant Plastics & Coatings (Thailand) Ltd
Clariant Chemicals (Taiwan) Co., Ltd.	Clariant Plastics & Coatings Southern Africa (Pty) Ltd
Süd-Chemie India Pvt. Ltd.	Clariant Plastics & Coatings USA Inc.
ACP Solutions Southern	PT. Clariant Plastics and Coatings,Indonesia
Clariant Masterbatches (Thailand) Ltd.	Performance Masterbatches
Clariant Plastics & Coatings (Mexico)	PT Clariant Specialties Indonesia
Clariant Plastics & Coatings USA In	SABIC Asia Pacific Pte Ltd,d Singapore
Performance Masterbatches Singapore Pte. Ltd.	Süd-Chemie Australia Pty Ltd
Clariant Masterbatches(Shanghai)Ltd	Süd-Chemie India Pvt. Ltd. (SCIL)
Clariant (New Zealand) Ltd.	
Clariant Chemicals (China) Ltd.	
Clariant chemicals Pakistan (Pvt.) Ltd.	
Clariant International Ltd.	
Clariant Masterbatches (Malaysia) Sdn Bhd	

**(c) Key management personnel:**

<b>Executive Directors</b>	
Adnan Ahmad	
Sanjay Ghadge ( with effect from 08-08-2019 to 31-12-2019)	
<b>Non-Executive Directors</b>	
Kewal Handa	
Sunirmal Talukdar	
Indu Shahani	
Alfred Muench	
Karl Holger Dierssen (up to 31-05-2019)	
Thomas Wenger	
Sanjay Ghadge ( with effect from 01-01-2020)	

Notes forming part of the financial statements for the year ended March 31, 2021

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

	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
<b>(i) Principal Shareholders :</b>		
<b>Transactions during the year :</b>		
<b>Clariant Plastic &amp; Coating AG (Esrtwhile known as Clariant Participations AG) upto 05.07.2020</b>		
Purchase of goods	85.82	4,342.61
Indenting commission received	-	425.66
Information technology service charges	-	79.08
Royalty expenses	-	62.85
Expenses recovered	-	0.01
Dividend paid	-	383.13
<b>Colorants International AG (w.e.f. 06.07.2020)</b>		
Purchase of goods	3,839.75	-
Indenting commission received	209.47	-
Royalty expenses	34.27	-
Expenses recovered	42.70	-
Dividend paid	15,401.87	-
<b>EBITO Chemieeteiligungen AG</b>		
Dividend paid	8,259.95	205.47
<b>(ii) Fellow subsidiaries :</b>		
<b>Transactions during the year :</b>		
<b>Sales of goods</b>		
Clariant (Singapore) Pte. Ltd.	34.16	18,289.68
Colorants Solutions Singapore Pte. Ltd.	23,614.83	6,220.79
Others	3,946.77	4,134.75
<b>Purchase of goods</b>		
Clariant (Singapore) Pte. Ltd.	0.12	1,055.34
Colorants International AG (Fellow Subsidiaries upto 05.07.2020)	859.10	1,153.20
Colorants Solutions Singapore Pte. Ltd.	747.89	294.76
Clariant India Limited	72.85	221.41
Others	207.87	500.36
<b>Purchase of property, plant and equipment</b>		
Clariant Plastics & Coatings (Deutschland) GmbH	-	24.89
Clariant India Limited	13.31	-
Others	-	1.81

Notes forming part of the financial statements for the year ended March 31, 2021

	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
<b>Sale of property, plant and equipment</b>		
Clariant India Limited	9.99	-
<b>Rental income</b>		
Clariant India Limited	556.09	981.87
Clariant Medical Specialties India Limited	-	56.11
<b>Services rendered</b>		
Clariant India Limited	1,626.55	1,499.59
Clariant Medical Specialties India Limited	-	168.73
<b>Indenting commission received</b>		
Clariant Masterbatches (Thailand) Ltd.	-	9.80
Colorants International AG (Fellow Subsidiaries upto 05.07.2020)	66.94	49.36
Others	1.95	4.30
<b>Royalty Paid</b>		
Colorants International AG (Fellow Subsidiaries upto 05.07.2020)	27.81	-
<b>Commission paid</b>		
Clariant Chemicals Pakistan (Pvt.) Ltd.	-	84.24
<b>Expenses recovered</b>		
Clariant India Limited	48.66	92.93
Others	-	0.05
<b>Consideration for the sale of Additive Business (Refer note 41)</b>		
Clariant India Limited	-	1,377.29
<b>Services received</b>		
Clariant India Limited	258.09	175.39
Clariant International AG	584.09	752.44
Clariant Services (Poland) Sp. z.o.o.	800.82	1,339.17
<b>(iii) Key management personnel :</b>		
<b>Executive Directors</b>		
Short-term employee benefits	306.58	450.85
Post-employment benefits	39.17	26.84
Employee share-based payment	40.77	111.70
<b>Total Remuneration</b>	<b>386.52</b>	<b>589.38</b>

Notes forming part of the financial statements for the year ended March 31, 2021

	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
<b>Non-Executive Directors</b>		
Sitting fees	30.40	31.20
Commission	24.00	24.00
<b>Total Remuneration</b>	<b>54.40</b>	<b>55.20</b>
<b>(iv) Balances outstanding as at the year end :</b>		
<b>Principal Shareholders :</b>		
Trade payables	1,476.70	70.84
Trade receivables	148.67	37.00
<b>Fellow Subsidiaries :</b>		
Trade payables	478.26	2,406.65
Trade receivables	6,608.59	5,950.98
<b>Key Management Personnel :</b>		
Payable balance	137.06	137.66

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

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

"The Board of Directors at their meeting held on December 19, 2019 had approved the sale of Business Unit - Masterbatches to Polyone Polymers India Private Limited for a consideration of ₹ 42,600 lakhs subject to working capital adjustments and presented it as Discontinued operations until June 30, 2020 in accordance with Ind AS 105: Non-Current Assets held for Sale and Discontinued Operations.

The sale transaction was consummated on July 01, 2020 on receipt of the consideration of ₹ 42,118.63 Lakhs which was further adjusted for working capital adjustments of ₹ 818.66 lakhs and accordingly the final sale consideration of ₹ 41,299.97 lakhs was arrived. The net assets (₹ 15,593.48 lakhs) of Masterbatches - Business unit is derecognised and a resultant gain of ₹ 25,479.88 lakhs (Net of incidental expenses of ₹ 226.61 lakhs) was recorded during the year ended March 31, 2021."

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.

Notes forming part of the financial statements for the year ended March 31, 2021

**(b) Financial performance and cash flow information**

The financial performance and cash flow information presented are for year ended March 31, 2021 and corresponding year ended March 31, 2020

	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
Total Income	4,256.95	33,610.04
Total Expenses	(4,086.14)	(29,976.00)
Profit before tax	170.81	3,634.04
Tax expense	(61.04)	(419.08)
<b>Profit from discontinued operations</b>	<b>109.77</b>	<b>3,214.96</b>
<b>Other comprehensive income from discontinued operations</b>		
Remeasurement of the defined benefit plans	(63.75)	(115.41)
Tax expense	11.50	13.92
<b>Other comprehensive income from discontinued operations (net of tax)</b>	<b>(52.25)</b>	<b>(101.49)</b>
Net cash inflow from operating activities	(973.00)	4,288.56
Net cash inflow / (outflow) from investing activities	(103.00)	890.00
Net cash inflow / (outflow) from financing activities	-	-
<b>Net cash generated from discontinued operations</b>	<b>(1,076.00)</b>	<b>5,178.56</b>

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

The following assets and liabilities were reclassified as held for sale in relation to the transfer of assets in group company as at March 31, 2021 and discontinued operation as at March 31 2020:

	31-03-2021 ₹ Lakhs	31-03-2020 ₹ Lakhs
<b>Assets classified as held for sale</b>		
Property, Plant & Equipment	1,782.27	7,596.54
Right-of-use assets	-	257.76
Trade receivables	-	3,707.96
Inventories	-	3,792.46
Other assets	-	4,085.46
<b>Total assets of disposal group held for sale</b>	<b>1,782.27</b>	<b>19,440.18</b>
<b>Liabilities directly associated with assets classified as held for sale</b>		
Trade Payables	-	3,986.59
Deferred tax liabilities (net)	-	363.55
Other liabilities	-	1,111.25
<b>Total liabilities of disposal group held for sale</b>	<b>-</b>	<b>5,461.40</b>

Notes forming part of the financial statements for the year ended March 31, 2021

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

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

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

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

The carrying amounts of assets and liabilities as at the date of sale December 31, 2019 were:

	₹ Lakhs
Property, Plant & Equipment	10.25
Trade receivables	586.31
Inventories	532.20
Other assets	24.64
<b>Total assets</b>	<b>1,153.40</b>
Trade Payables	551.44
Employee benefit obligations	65.65
Other liabilities	4.65
<b>Total liabilities</b>	<b>621.74</b>
<b>Net assets</b>	<b>531.66</b>

The cumulative foreign exchange losses recognised in other comprehensive income in relation to the discontinued operation as at March 31, 2020 were Nil.

**42 Segment Information :**

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

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

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

Notes forming part of the financial statements for the year ended March 31, 2021

- (b) The following is an analysis of the Company's revenue and results from continuing operations by reportable segment and reconciliation of segment revenue and Segment profit with total revenue and profit before tax respectively:

Particulars	31-03-2021			31-03-2020		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Revenue</b>						
External sales	67,626.28	5,450.72	73,077.00	69,686.79	6,041.06	75,727.85
<b>Results</b>						
Segment results	5,350.29	613.73	5,964.02	3,685.00	771.06	4,456.06
Unallocated corporate (expenses)/income (net)			-			(713.71)
<b>Operating profit</b>			5,964.02			3,742.35
Interest Income			103.50			70.09
Finance costs			(260.00)			(383.40)
<b>Profit before exceptional items and taxation</b>			5,807.52			3,429.04
Exceptional items (Refer note 41)			25,479.88			-
<b>Profit before tax from continuing operations</b>			31,287.40			3,429.04
<b>Tax expense</b>						
Current tax			8,585.01			1,368.70
Deferred tax			136.65			(338.54)
Tax adjustments of prior years (net)			699.07			543.33
			9,420.73			1,573.49
<b>Profit for the year from continuing operations</b>			21,866.67			1855.55
<b>Profit before tax from discontinued operations before tax</b>			170.81			3634.04
<b>Tax expense / (income) of discontinued operations</b>			61.04			419.08
<b>Profit for the year from discontinued operations</b>			109.77			3214.96
<b>Profit for the year from continuing and discontinued operations</b>			21,976.44			5070.51

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

Notes forming part of the financial statements for the year ended March 31, 2021

**Disclosure as per IND AS 115 for the year ended March 31, 2021**

Segments	31-03-2021			31-03-2020		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Primary geographical markets</b>						
<b>Continuing operation</b>						
India	42,098.54	5,450.72	47,549.26	42,613.18	6,041.06	48,654.24
Outside India	24,308.43	-	24,308.43	25,814.65	-	25,814.65
	66,406.97	5,450.72	71,857.69	68,427.83	6,041.06	74,468.89
<b>Discontinued operation</b>						
India	4,084.48	-	4,084.48	29,774.74	-	29,774.74
Outside India	157.49	-	157.49	2,579.80	-	2,579.80
	4,241.97	-	4,241.97	32,354.54	-	32,354.54
<b>Major products/ service lines</b>						
<b>Continuing operation</b>						
Pigments	66,406.97	-	66,406.97	68,427.83	-	68,427.83
Specialty Chemicals	-	5,450.72	5,450.72	-	6,041.06	6,041.06
	66,406.97	5,450.72	71,857.69	68,427.83	6,041.06	74,468.89
<b>Discontinued operation</b>						
Masterbatches	4,241.97	-	4,241.97	30,092.54	-	30,092.54
Additives	-	-	-	2,262.00	-	2,262.00
	4,241.97	-	4,241.97	32,354.54	-	32,354.54
<b>Timing of revenue recognition</b>						
<b>Continuing operation</b>						
Goods transferred at a point of time	63,349.45	5,450.72	68,800.17	65,950.91	6,041.06	71,991.97
Services transferred over time	3,057.52	-	3,057.52	2,476.92	-	2,476.92
	66,406.97	5,450.72	71,857.69	68,427.83	6,041.06	74,468.89
<b>Discontinued operation</b>						
Goods transferred at a point of time	4,241.97	-	4,241.97	32,354.54	-	32,354.54
Services transferred over time	-	-	-	-	-	-
	4,241.97	-	4,241.97	32,354.54	-	32,354.54

Notes forming part of the financial statements for the year ended March 31, 2021

Segment Assets and liabilities	31-03-2021			31-03-2020		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Continuing operation</b>						
Segment assets	53,285.70	365.00	53,650.70	55,959.00	499.63	56,458.63
Unallocated corporate assets			11,252.92			18,446.80
<b>Total assets</b>			<b>64,903.62</b>			<b>74,905.43</b>
Segment liabilities	21,548.01	366.00	21,914.01	20,162.21	335.51	20,497.72
Unallocated corporate liabilities			2,267.98			3,245.73
<b>Total liabilities</b>			<b>24,181.99</b>			<b>23,743.45</b>
<b>Capital Employed</b>	<b>31,737.69</b>	<b>(1.00)</b>	<b>40,721.63</b>	35,796.79	164.12	51,161.98
<b>Discontinued operation</b>						
Segment assets	-	-	-	19,440.18	-	19,440.18
Unallocated corporate assets						-
<b>Total assets</b>			<b>-</b>			<b>19,440.18</b>
Segment liabilities	-	-	-	5,461.40	-	5,461.40
Unallocated corporate liabilities						-
<b>Total liabilities</b>			<b>-</b>			<b>5,461.40</b>
<b>Capital Employed</b>	<b>-</b>	<b>-</b>	<b>-</b>	13,978.78	-	13,978.78

(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	31-03-2021			31-03-2020		
	India	Outside India	Total	India	Outside India	Total
<b>External sales from operations</b>						
Continuing Operation	48,490.60	24,586.40	73,077.00	49,636.41	26,091.44	75,727.85
Discontinued Operation	4,085.93	157.49	4,243.42	30,143.20	2,579.80	32,723.00
Non-current assets	22,379.92	-	22,379.92	31,106.68	-	31,106.68

(g) Revenues of approximately ₹ 23614.83 Lakhs (31.03.2020 : ₹ 18289.68 Lakhs) is arising from sales to the Company's largest customer of Plastics and Coatings segment. No other single customers contributed 10% or more to the Company's revenue.

Notes forming part of the financial statements for the year ended March 31, 2021

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

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

In terms of our report attached

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number: 105047W

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

Mumbai, 19<sup>th</sup> May, 2021

For and on behalf of the Board,

**K. Handa** Chairman  
DIN: 00056826

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

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

**A. Agarwal** Interim Chief Financial Officer

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

Mumbai, 19<sup>th</sup> May, 2021

Notes forming part of the financial statements for the year ended March 31, 2021

**FINANCIAL PERFORMANCE** 10 Years' Highlights

₹ Million

	Financial Year Ended 31 <sup>st</sup> March						Financial Year Ended 31 <sup>st</sup> December			
	2021	2020	2019	2018	2017	## 2016	2014	2013	2012	2011
<b>I OPERATING RESULT</b>										
Net Sales	<b>*6884.2</b>	*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
Gross Earning Before Depreciation/Impairment and Taxation +	<b>983.5</b>	1,153.7	675.7	711.4	757.7	1,237.3	370.6	1,369.8	1,547.1	1,722.0
Profit Before Taxation #	<b>3,145.8</b>	706.3	301.4	334.1	362.9	736.8	11,874.1	2,257.8	1,423.1	3,954.1
Profit After Taxation	<b>2,197.6</b>	507.1	185.6	216.0	244.8	593.7	9,433.2	1,667.7	1,013.0	3,040.4
Equity Dividend	<b>4,731.8</b>	253.9	230.8	115.4	577.1	3,963.3	1,039.8	799.8	733.2	1,599.6
<b>II FINANCIAL POSITION</b>										
Gross fixed Assets @	<b>1,941.1</b>	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
Net Fixed Assets @	<b>1,581.4</b>	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
Investments	<b>96.5</b>	812.9	120.7	407.4	1,124.8	739.7	330.1	2,674.0	2,346.5	2,665.1
Net Current Assets	<b>2,389.0</b>	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
Equity	<b>230.8</b>	230.8	230.8	230.8	230.8	230.8	266.6	266.6	266.6	266.6
Reserves	<b>3,841.3</b>	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
Shareholders' Fund	<b>4,072.1</b>	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
Loans and Deferred Payment Credits	-	-	-	-	-	-	94.5	-	-	2.0
Capital Employed	<b>4,072.1</b>	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
<b>III PER EQUITY SHARES</b>										
Earning ₹ #	<b>95.22</b>	21.96	8.05	9.36	10.61	23.42	353.82	62.55	38.00	114.04
Interim & Proposed Dividend	<b>205.0</b>	11.0	10.0	5.0	25.0	150.0	39.0	30.0	27.5	60.0

\* Continuing operations

# After exceptional items.

+ Before exceptional items.

@ Include capital advance

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

**Notes**





**CLARIANT CHEMICALS (INDIA) LIMITED**

Reliable Tech Park  
Off Thane-Belapur Road  
Airoli, Navi Mumbai - 400 708

**[WWW.CLARIANT.COM](http://WWW.CLARIANT.COM)**