

INDEPENDENT AUDITORS' REPORT

To the Members of Clariant Chemicals (India) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Clariant Chemicals (India) Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Other Matter

7. The financial statements of the Company as at December 31, 2013 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated February 26, 2014, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/ N500016

(Formerly Price Waterhouse, Firm Registration Number: 012754N)



Pradip Kanakia

Partner

Membership Number: 39985

Place: Mumbai

Date: February 12, 2015

Clariant Chemicals (India) Limited

CLARIANT

Corporate Identity Number: L24110MH1956PLC010806

Registered Office : Reliable Tech Park, Thane Belapur Road, Alroli, Navi Mumbai - 400708

Tel: 022 7125 1116; Fax: 022 7125 1228 Website: www.clariant.in Email: investor.relations_india@clariant.com

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2014

(₹ in Lakhs)

Particulars (Refer Notes below)	3 months ended 31.12.2014	Preceding 3 months ended 30.09.2014	Corresponding 3 months ended 31.12.2013	12 months ended 31.12.2014	12 months ended 31.12.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
PART I					
1. Income from operations					
(a) Net sales / Income from operations (Net of excise duty)	22202	24807	27053	100820	121320
(b) Other operating income	1029	800	1007	3780	3466
Total Income from operations (net)	23231	25607	28060	104600	124786
2. Expenses					
(a) Cost of materials consumed	14111	15490	13844	59466	59858
(b) Purchases of stock-in-trade	1691	3402	4772	14910	23534
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1089	(1175)	717	(2330)	(2304)
(d) Power and fuel	1387	1328	1435	5496	5410
(e) Employee benefits expense	2463	2652	2112	9791	10116
(f) Depreciation and amortisation expense	1110	881	555	3324	2345
(g) Other expenses	4219	3575	4738	14813	16086
Total expenses	26070	26153	28173	105470	115045
3. (Loss)/ Profit from operations before other income, finance costs and exceptional items (1- 2)	(2839)	(546)	(113)	(870)	9741
4. Other income	208	280	585	1365	1792
5. (Loss)/ Profit from ordinary activities before finance costs and exceptional items (3+4)	(2631)	(266)	472	495	11533
6. Finance costs	53	17	43	113	180
7. (Loss)/ Profit from ordinary activities after finance costs but before exceptional items (5-6)	(2684)	(283)	429	382	11353
8. Exceptional items (net)	108336	113	(1393)	118359	11225
9. (Loss)/ Profit from ordinary activities before tax (7+8)	105652	(170)	(964)	118741	22578
10. Tax (credit)/ expense (including tax on exceptional items) (Excess)/ provision for prior years taxation (net)	22160 (915)	(38) -	(354) -	25324 (915)	5901 -
11. Net (Loss)/ Profit from ordinary activities after tax (9-10)	84407	(132)	(610)	94332	16677
12. Paid up equity share capital (Face value of ₹10/- each)	2666	2666	2666	2666	2666
13. Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year				136936	54769
14. Earnings per share (of ₹ 10/- each) Basic & Diluted (in ₹) (Not annualised)	316.61	(0.50)	(2.29)	353.82	62.55
PART II : Select Information for the three/ year ended December 31, 2014					
A PARTICULARS OF SHAREHOLDING					
1 Public shareholding					
- Number of shares	9758665	9758665	9758665	9758665	9758665
- Percentage of shareholding	36.60	36.60	36.60	36.60	36.60
2 Promoters and promoter group shareholding					
a) Pledged / Encumbered	-	-	-	-	-
b) Non-encumbered					
- Number of shares	16902080	16902080	16902080	16902080	16902080
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	63.40	63.40	63.40	63.40	63.40
B INVESTOR COMPLAINTS					
Pending at the beginning of the quarter	1				
Received during the quarter	-				
Disposed of during the quarter	1				
Remaining unresolved at the end of the quarter	-				



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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

(₹ in Lakhs)

Particulars (Refer Notes below)	3 months ended 31.12.2014	Preceding 3 months ended 30.09.2014	Corresponding 3 months ended 31.12.2013	12 months ended 31.12.2014	12 months ended 31.12.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Segment revenue (Net sales / Income from operations)					
Pigments and Colors	18005	19753	14178	71783	53009
Dyes and Specialty Chemicals	4197	5054	12875	29037	68311
Total Net sales / Income from operations	22202	24807	27053	100820	121320
2. Segment results					
Pigments and Colors	(995)	158	245	1073	5076
Dyes and Specialty Chemicals	(749)	43	660	1202	6625
Total Segment results	(1744)	201	905	2275	11701
Less : (1) Finance costs	53	17	43	113	180
(2) Other unallocable expenditure net of unallocable income	887	467	433	1780	168
Total (Loss)/ Profit before exceptional items & tax	(2684)	(283)	429	382	11353
Exceptional items	108336	113	(1393)	118359	11225
(Loss)/ Profit from ordinary activities before tax	105652	(170)	(964)	118741	22578
3. Capital employed (Segment assets - Segment liabilities)					
Pigments and Colors	48358	48663	24844	48358	24844
Dyes and Specialty Chemicals	5083	7048	8789	5083	8789
Total capital employed in segments	53441	55711	33633	53441	33633
Add : Unallocable corporate assets less corporate liabilities	86161	(516)	23802	86161	23802
Total capital employed	139602	55195	57435	139602	57435

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2014

(₹ in Lakhs)

Particulars	As at 31.12.2014	As at 31.12.2013
	(Audited)	(Audited)
A EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	2666	2666
(b) Reserves and surplus	136936	54769
Sub-total - Shareholders' funds	139602	57435
2. Non-current liabilities		
(a) Deferred tax liabilities (net)	1040	724
(b) Other long-term liabilities	68	-
(c) Long-term provisions	2378	2589
Sub-total - Non-current liabilities	3486	3313
3. Current liabilities		
(a) Short-term borrowings	946	-
(b) Trade payables	14564	16239
(c) Other current liabilities	4792	7446
(d) Short-term provisions	20850	6722
Sub-total - Current liabilities	41152	30407
TOTAL - EQUITY AND LIABILITIES	184240	91155
B ASSETS		
1. Non-current assets		
(a) Fixed assets	34821	19148
(b) Non-current investments	717	667
(c) Long-term loans and advances	7427	4604
Sub-total - Non-current assets	42965	24419
2. Current assets		
(a) Current investments	2584	26073
(b) Inventories	16335	14563
(c) Trade receivables	16059	16922
(d) Cash and bank balances	101145	2260
(e) Short-term loans and advances	4738	6160
(f) Other current assets	414	758
Sub-total - Current assets	141275	66736
TOTAL - ASSETS	184240	91155



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Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings.
- The interim dividend of ₹ 39 per share paid in August 2014, may be considered as the final dividend. In the previous year the Company had paid a total dividend of ₹ 30 per share (including an interim dividend of ₹ 10/- per share). The Company has also paid an interim dividend for the Financial year 2015 of Rs 140/- per share in January 2015 from the previous year's profits carried forward.
- Net sales/income from operations, Profit before tax and Profit after tax, included in the above results, in respect of Textile Chemicals, Paper Specialities and Emulsions business (TPE business), relating to Dyes and Specialty Chemicals Segment, which was transferred to Archroma India Private Ltd. on September 30, 2013, are given below (₹ in Lakhs) :

Particulars	3 months ended	Preceding	Corresponding	12 months ended	12 months ended
	31.12.2014	3 months ended	3 months ended	31.12.2014	31.12.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Net sales / income from operations	-	-	-	-	32244
Profit before tax	-	-	-	-	3776
Profit after tax	-	-	-	-	2529

- In accordance with the approval of the shareholders, the Company has executed the Business Transfer Agreement on April 30, 2014 and has sold/transferred on May 01, 2014 the business of Leather Services included in the Dyes and Specialty Chemicals Segment, including production facility at Kanchipuram in Tamil Nadu and Laboratories, along with employees, assets and liabilities on a going concern basis by way of a slump sale to Stahl India Private Ltd. for an aggregate consideration of ₹ 15600 Lakhs. The profit on sale of the Leather Services business amounting to ₹ 10409 Lakhs is shown under "Exceptional Items (net)" (Refer note 7 below). The capital gains tax arising from the transaction is included in "Tax Expense".

Net sales/income from operations, Profit before tax and Profit after tax for the discontinued business of Leather Services included in the above results are given below (₹ in Lakhs) :

Particulars	3 months ended	Preceding	Corresponding	12 months ended	12 months ended
	31.12.2014	3 months ended	3 months ended	31.12.2014	31.12.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Net sales / income from operations	-	-	7426	8470	22751
Profit before tax	-	-	253	1161	1546
Profit after tax	-	-	167	766	1026

- In accordance with the approval of the shareholders, the Company had entered into an Agreement dated April 15, 2014 to sell land aggregating about 87 acres, together with the buildings and structures standing thereon, located at Kolshet Thane, on an "as is where is" basis to M/s Ishwer Realty and Technologies Private Limited (a subsidiary of Lodha Developers Private Limited). On receipt of the full and final consideration of ₹ 110250 Lakhs, the transaction has been concluded on December 31, 2014. The profit on sale amounts to ₹ 108549 Lakhs (Refer note 7 below).
- The Company, after obtaining necessary approvals from the Board of Directors, acquired the Masterbatches business of "M/s. Plasticchemix Industries" (PI) vide a Business Transfer Agreement with effect from April 10, 2014, on a going concern basis by way of a slump sale for a total consideration of ₹ 13102 Lakhs after net working capital and debt like adjustments. The excess of consideration paid to PI over the fair value of net assets taken over, is considered as Goodwill and is recognised as an intangible asset.
- Exceptional items (net) comprise the following (₹ in Lakhs) :
 - Profit on sale of Leather Services business (Refer note 4 above) : three months ended 31.12.2014 : (213) and year ended 31.12.2014 : 10409
 - IT infrastructure set up cost / (reversal) : three months ended 30.09.2014 : (113) and year ended 31.12.2014 : 385
 - Non compete fees in relation to business acquisition (Refer note 6 above) : year ended 31.12.2014 : 74
 - One time compensation paid to Consultants in relation to business acquisition (Refer note 6 above) : year ended 31.12.2014 : 140
 - Profit on sale of Kolshet site (Net of expenses incurred) (Refer note 5 above) : three months and year ended 31.12.2014 : 108549
 - Profit on sale of TPE business (Net of expenses incurred/committed to be incurred) : three months ended 31.12.2013 : 11445 (1173) and year ended 31.12.2013 : 11445
 - Abandoned project writeoff : three months and year ended 31.12.2013 : 220
- The figures of last quarter are the balancing figures between audited figures in respect of the full financial year upto December 31, 2014 and the unaudited published year-to-date figures upto September 30, 2014 being the date at the end of the third quarter of the financial year.
- Pursuant to the sale of TPE business referred to in note 3, Leather Services business referred to in note 4 and acquisition of Masterbatches business referred to in note 6 above, the figures for the three months and year ended December 31, 2014 are not directly comparable with those of the corresponding three months and year end of the previous year. The figures for the previous periods have been regrouped/recasted wherever necessary, to conform to the current period's classification.

Mumbai, February 12, 2015

WWW.CLARIANT.IN

Deepak Parikh

Dr. Deepak Parikh
Vice-Chairman & Managing Director



what is precious to you?

DRP