

June 6, 2017

BSE Limited Corporate Relationship Department 1 st Floor, New Trading Ring Rotunda Building, P. J. Towers Dalal Street, Mumbai - 400 001 Scrip: 506390 E-mail: corp.relations@bseindia.com	The National Stock Exchange of India Limited Listing Department, Exchange Plaza, 5 th floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip: CLNINDIA E-mail: cmlist@nse.co.in
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Sub.: Revised Financial Results for the year ended March 31, 2017

Dear Sirs,

The audited standalone financial results for the year ended March 31, 2017 of the Company under Ind AS ('Statement') which were approved and taken on record at a meeting of the Board of Directors of the Company held on Tuesday, May 23, 2017, were submitted to the stock exchange thereafter.

We enclose herewith the revised Statement for the following reasons-

- 1) The 'Other income' is now shown below 'Income from operations (net)', which was earlier shown below 'Profit/loss from operations before other income, finance costs'. Consequently, the row 'Profit from operations before other income, finance costs' has been deleted.
- 2) 'Finance Cost' is now shown under 'Expense' which was earlier shown as a separate head. Consequently, the row 'Profit/Loss before finance costs' has been deleted
- 3) Under 'Tax Expense', the 'Current tax', 'Deferred tax' and 'Tax adjustments of prior years (net)' have been bifurcated and shown as individual lines as against single for 'Tax expense' earlier.
- 4) Under 'Other comprehensive income (net of tax)', 'Remeasurement of the defined benefit plans', 'Equity Instruments through other comprehensive income', 'Income tax relating to Items that will not be reclassified to profit or loss' have been bifurcated and shown as individual lines as against single for 'Other comprehensive income' earlier.
- 5) The figures of last quarter are the balancing figures between audited figures in respect of the 12 months ended 31.03.2017 and the unaudited published year-to-date figures upto 31.12.2016 being the date at the end of the previous quarter of the year end.

The figures as reported earlier remain unchanged.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,
For Clariant Chemicals (India) Limited

X


Adnan Ahmad
 Vice Chairman & Managing Director
 DIN - 00046742
 Encl.: As above



Clariant Chemicals (India) Limited

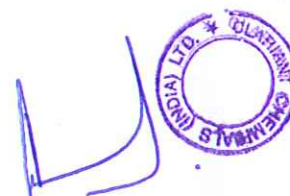
Corporate Identity Number: L24110MH1956PLC010806
Registered Office : Reliable Tech Park, Thane Belapur Road,
Airoli, Navi Mumbai - 400708
Tel: 022 7125 1245; Fax: 022 7125 1228
Website: www.clariant.com Email: investor.relations_india@clariant.com

STATEMENT OF AUDITED RESULTS FOR THE THREE / TWELVE MONTHS ENDED MARCH 31, 2017

(* In Lakhs)

Particulars (Refer Notes below)	3 months ended 31.03.2017	3 months ended 31.12.2016	Corresponding 3 months ended 31.03.2016	12 months ended 31.03.2017	15 months ended 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Continuing operations					
1. Income					
(a) Net sales / Income from operations	26308	23889	26393	101986	118813
(b) Other operating income	1014	1211	763	3985	4048
Total revenue from operations	27322	25100	27156	105971	122861
(c) Other income	177	279	29	910	3672
Total Income	27499	25379	27185	106881	126533
2. Expenses					
(a) Cost of materials consumed	13833	12504	13968	53919	63272
(b) Purchases of stock-in-trade	1888	2108	2765	7525	9936
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	323	334	(969)	108	918
(d) Excise duty	1950	1844	1836	7873	8866
(e) Power and fuel	1341	1295	1160	5114	6012
(f) Employee benefits expense	2132	2230	2022	9060	10623
(g) Finance costs	15	7	18	46	73
(h) Depreciation and amortisation expense	1000	979	986	3948	5005
(i) Other expenses	3837	4249	4182	15659	16801
Total expenses	26319	25550	25968	103252	121506
3. Profit/(Loss) before tax	1180	(171)	1217	3629	5027
4. Tax expense					
(a) Current tax	428	(21)	317	1445	194
(b) Deferred tax	(30)	(64)	182	(264)	1084
(c) Tax adjustments of prior years (net)	-	-	(342)	-	(342)
Total Tax expense	398	(85)	157	1181	936
5. Net Profit/(Loss) from continuing operations	782	(86)	1060	2448	4091
6. Net Profit from discontinued operations before tax (including exceptional items, credit)	-	-	-	-	2341
7. Tax expense of discontinued operations	-	-	-	-	495
8. Net Profit from discontinued operations	-	-	-	-	1846
9. Net Profit/(Loss) for the period	782	(86)	1060	2448	5937
10. Other comprehensive income (net of tax) (Items that will not be reclassified to profit or loss)					
Remeasurement of the defined benefit plans	17	(32)	57	(113)	100
Equity Instruments through other comprehensive income	-	37	(256)	687	167
Income tax relating to Items that will not be reclassified to profit or loss	39	-	(35)	39	(35)
	56	5	(234)	613	232
11. Total comprehensive income for the period	838	(81)	826	3061	6169
12. Paid up equity share capital (Face value of ` 10/- each)	2308	2308	2308	2308	2308
13. Basic and diluted earnings per share (of ` 10/- each)					
(a) Continuing operations	3.39	(0.37)	4.59	10.61	16.14
(b) Discontinued operations	-	-	-	-	7.28
(c) Total operations	3.39	(0.37)	4.59	10.61	23.42

Note : The figures of last quarter are the balancing figures between audited figures in respect of the 12 months ended 31.03.2017 and the unaudited published year-to-date figures upto 31.12.2016 being the date at the end of the previous quarter of the year end.



Clariant Chemicals (India) Limited

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SEGMENT WISE REVENUE, RESULTS, SEGMENT ASSETS AND SEGMENT LIABILITIES FOR THE THREE / TWELVE MONTHS ENDED MARCH 31, 2017

(` in Lakhs)

Particulars (Refer Notes below)	3 months ended 31.03.2017	3 months ended 31.12.2016	Corresponding 3 months ended 31.03.2016	12 months ended 31.03.2017	15 months ended 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Segment revenue					
Plastics and Coatings	24250	22319	23409	95017	107993
Specialty Chemicals	2058	1570	2984	6969	10820
Total Net sales	26308	23889	26393	101986	118813
2. Segment results					
Plastics and Coatings	1487	504	2054	5205	3857
Specialty Chemicals	231	89	155	499	730
Total Segment results	1718	593	2209	5704	4587
Less: (1) Finance costs	15	7	18	46	73
(2) Other unallocable expenditure net of unallocable income	523	757	974	2029	(513)
Profit before tax from continuing business	1180	(171)	1217	3629	5027
Profit from discontinued operations before tax	-	-	-	-	2341
Total Profit before tax	1180	(171)	1217	3629	7368
3. Segment assets					
Plastics and Coatings	71799	68006	73241	71799	73241
Specialty Chemicals	1118	1173	763	1118	763
Unallocable	20403	19684	16172	20403	16172
Total	93320	88863	90176	93320	90176
4. Segment liabilities					
Plastics and Coatings	21201	17938	18268	21201	18268
Specialty Chemicals	-	-	65	-	65
Unallocable	4827	4495	4900	4827	4900
Total	26028	22433	23233	26028	23233

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

(` in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
	(Audited)	(Audited)
A ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	29350	31343
(b) Capital work-in-progress	987	497
(c) Investment property	1	1
(d) Goodwill	4024	4024
(e) Other intangible assets	941	1096
(f) Financial assets		
(i) Investments	-	1167
(ii) Loans	968	1218
(g) Other non-current assets	1098	870
(h) Non-current tax assets (Net)	4978	4978
Sub-total - Non - current assets	42347	45194
2. Current assets		
(a) Inventories	15561	14213
(b) Financial assets		
(i) Investments	11248	6230
(ii) Trade receivables	17296	17662
(iii) Cash and cash equivalents	2429	2088
(iv) Bank balances other than (iii) above	755	801
(v) Loans	48	46
(vi) Others financial assets	119	55
(c) Other current assets	3517	3887
Sub-total - current assets	50973	44982
TOTAL - ASSETS	93320	90176
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2308	2308
(b) Other equity	64984	64635
Sub-total - Equity	67292	66943
2. Non-current liabilities		
(a) Provisions	904	700
(b) Deferred tax liabilities (Net)	1796	2098
Sub-total - Non-current liabilities	2700	2898
3. Current liabilities		
(a) Financial liabilities		
(i) Trade Payables	16825	14626
(ii) Other financial liabilities	3260	2856
(b) Other current liabilities	1229	1306
(c) Provisions	766	861
(d) Current tax liabilities (Net)	1248	784
Sub-total - Current liabilities	23328	20433
TOTAL - EQUITY AND LIABILITIES	93320	90176



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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 Board of Directors at its meeting held on 23rd May 2017 has recommended the payment of final dividend of ₹ 25 per equity share. In the previous 15 months period ended 31st March 2016, the Company paid a total dividend of ₹ 150 per equity share (Including an interim dividend of ₹ 140 per equity share.)
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2016, the Company has for the first time adopted Ind AS with a transition date of 1st January 2015.
- The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :

Particulars	(' in Lakhs)	
	3 months ended 31.03.2016	15 months ended 31.03.2016
Net profit as per previously applicable Indian GAAP	985	5287
Add/(Less) Adjustments:		
Reversal of Goodwill amortized under previous GAAP	107	512
Fair value of Investment through profit and loss	-	(79)
Share based payment costs recognised based on fair value method	(11)	(47)
Deferred tax on above Ind AS adjustments	15	64
Buyback expenses recognised in equity	-	303
Actuarial Gain/Loss on Gratuity	(36)	(100)
Others	-	(3)
Net profit as per Ind AS	1060	5937
Other comprehensive income, net of income tax	(234)	232
Total comprehensive income for the period	826	6169

- The reconciliation of equity reported in accordance with IGAAP to equity in accordance with Ind AS is given below:

Particulars	(' in Lakhs)	
	31.03.2016	
Total equity (shareholder's funds) as per Indian GAAP	63157	
Fair valuation of investments under Ind AS, net of taxes	500	
Measurement of long term deposits at amortised cost using effective interest rate method	(9)	
Reversal of goodwill amortisation	512	
Dividend not recognised as liability until declared under Ind AS	2778	
Recognition of deferred taxes using the balance sheet approach under Ind AS	5	
Total equity under Ind AS	66943	

- The Company has renamed its Segment names from "Pigments and Colors" to "Plastics and Coatings" and "Dyes and Specialty Chemicals" to "Specialty Chemicals".
- Net sales/income from operations, Profit / (Loss) before tax and net profit for the period, included in the above results, in respect of the discontinued business of Industrial and Consumer Specialities, relating to the Specialty Chemicals Segment, which was transferred to Clariant India Ltd, on 1st August 2015, are given below (' in Lakhs) :

Particulars	3 months ended	Preceding	Corresponding	12 months ended	15 months ended
	31.03.2017	3 months ended	3 months ended	31.03.2017	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Net sales / income from operations	-	-	-	-	4095
Loss before tax	-	-	-	-	(315)
Tax expense	-	-	-	-	107
Loss after tax	-	-	-	-	(208)
Profit on sale before tax	-	-	-	-	2656
Tax expense on gain	-	-	-	-	602
Net Profit for the period	-	-	-	-	1846

- The Board of Directors at its meeting held on 22nd April 2015 approved the proposal of buyback of 35,78,947 equity shares of ₹ 10 each (representing 13.42% of total equity share capital) from shareholders of the Company through the "Tender offer" route as prescribed under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 at a price of ₹ 950 per equity share, aggregating to ₹ 34000 Lakhs. The scheme had been approved by shareholders by way of a special resolution passed through postal ballot on 8th July 2015. The Buyback offer was kept open from 22nd September 2015 to 7th October 2015 and it got completed on 15th October 2015.
- Pursuant to change in accounting year of the Company from January-December to April-March with effect from 1st January 2015, the figures for the twelve months ended 31st March 2017 are not directly comparable with those of the 15 months period ended 31st March 2016.

Adnan Ahmad

Vice-Chairman & Managing Director
DIN:00046742

Navi Mumbai, June 06, 2017

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLARIANT CHEMICALS (INDIA) LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **Clariant Chemicals (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS 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 Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



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INDEPENDENT AUDITORS' REPORT

To the Members of Clariant Chemicals (India) Limited

Report on the Ind AS Financial Statements

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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the fifteen months period ended March 31, 2016 and the transition date opening balance sheet as at January 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the fifteen months ended March 31, 2016 and the year ended December 31, 2014 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 20, 2016 and February 12, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.



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INDEPENDENT AUDITORS' REPORT

To the Members of Clariant Chemicals (India) Limited

Report on the Ind AS Financial Statements

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- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 11(b) above that the backup of the books of accounts and other books and papers maintained in the electronic mode has not been maintained on servers physically located in India.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance With Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 37;
 - ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. The Company did not have any derivative contracts as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 49.

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



Arvind Daga
Partner

Membership Number 108290

Place: Navi Mumbai

Date: May 23, 2017

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the Ind AS financial statements for the year ended March 31, 2017

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Clariant Chemicals (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the Ind AS financial statements for the year ended March 31, 2017

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Arvind Daga
Partner
Membership Number 108290

Place: Navi Mumbai
Date: May 23, 2017

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 4 and 5 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, profession tax, sales tax and value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, service tax, duty of customs, duty of excise and other material statutory dues, as applicable, with the appropriate authorities.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the Ind AS financial statements as of and for the year ended March 31, 2017.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, excise duty and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Acts	Sales Tax including interest and penalty, as applicable	2.27	1996-97 to 1988-99	High Court of Tamil Nadu
		17.88	1999-00	Sales Tax Appellate Tribunals of Maharashtra
		13,804.11*	1992-93, 1998-99, 2001-02 to 2012-13	Appellate Authority - up to Commissioner's level
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	415.63	2000-01 to 2008-09	Tribunals of various states
		211.52	1994-95 to 1997-98, 2000-01	Appellate Authority - up to Commissioner's level
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	164.08	1997-98, 2005-06 to 2014-15	Tribunals of various states
		62.56	1996-97, 2002-03 to 2004-05, 2007-08 to 2011-12, 2013-14	Appellate Authority - up to Commissioner's level
Income Tax Act, 1961	Income Tax including interest and penalty, as applicable	331.93	1982-83 to 1986-87, 1989-90, 1991-92, 1993-94, 1995-96, 1997-98 to 2001-02, 2004-05	Income Tax Appellate Tribunal
		454.62	2006-07, 2001-02 to 2002-03	Appellate Authority - up to Commissioner's level
		565.77	2007-08	Deputy Commissioner of Income Tax (TDS)

* Subsequent to the year end, the Company has received revised order from the Joint Commissioner of Sales Tax based on which demand has decreased by Rs. 8,077.52 lacs.



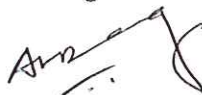
Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the Ind AS financial statements as of and for the year ended March 31, 2017.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS 24), Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Arvind Daga
Partner
Membership Number 108290

Place: Navi Mumbai
Date: May 23, 2017