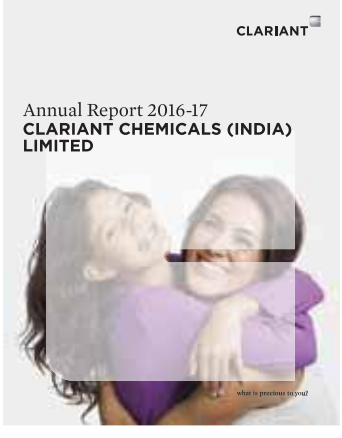
CLARIANT

Annual Report 2016-17
CLARIANT CHEMICALS (INDIA) LIMITED



what is precious to you?



Touching Lives

DISCOVERING VALUE

Through this year's Annual Report cover, we bring out the fact that we touch human lives with our innovative and sustainable products and solutions. We might not be visible to the end consumer, yet our tiny but mighty products make a huge difference in everyday life. Our products touch lives throughout the globe, as a result creating and adding value for all our key stakeholders.

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Board of **DIRECTORS**



KEWAL HANDA
Chairman



DR. DEEPAK PARIKH
Vice-Chairman & Managing Director



ADNAN AHMAD
Executive Director



ALFRED MUENCH
Director



KARL HOLGER DIERSSEN
Director



MARIO BROCCHI
Director



SUNIRMAL TALUKDAR
Director



DR. (MRS.) INDU SHAHANI
Director

CHIEF FINANCIAL OFFICER
Sanjay Ghadge

COMPANY SECRETARY
Amee Joshi

AUDITORS
Price Waterhouse
Chartered Accountants LLP

BANKERS
Standard Chartered Bank
Citibank N.A.

SOLICITORS & ADVOCATES
Crawford Bayley & Co

REGISTRAR &
TRANSFER AGENTS
Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg
Vikhroli (West), Mumbai – 400 083
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

WA-6, Renaissance Industrial
& Warehousing Park
Kalyan - Padgha Road
Village Vashere
Post Amne, Taluka Bhiwandi
District Thane – 421 302
Maharashtra

Shed Nos. 18, 19, 20, 21, 22
GIDC Kalol
District Panchmahal
Vadodara – 389 330
Gujarat

Survey No. 344/1-2-3
Sakarda-Bhadarva Road
Village Rania, Taluka Savli
Vadodara – 391 780
Gujarat

A1 - 47/2 & 47/3, GIDC
Nandesari, Vadodara – 391 340
Gujarat

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

Kudikadu, SIPCOT Post
Cuddalore – 607 005
Tamil Nadu

Touching Lives
DISCOVERING VALUE

At Clariant, **discover value lies at the heart of everything we do.** It guides us as scientists, aids us as explorers, and inspires us as storytellers. It is the driving force motivating us to look deeper and discover something new for ourselves, for our clients, for our shareholders, and for the world around us.

We focus on **people, planet and performance**. That's how we **touch lives and discover value**.

Fibers – carpets, clothing, automotive interiors, etc. – are more **durable** and **flame retardant** when they contain our products.

White goods like refrigerators, washing machines, microwaves, personal electronics, etc. that use our products, have **higher performance** and **durability.**

Sensitive applications like food and personal care products are **safer and more compliant** because of our **packaging inputs**, which also **improve the shelf-lives** of packed goods.

Buildings have **more space** for living, **lowering production costs** and **reducing materials used** due to **thinner insulation boards** that are crafted as a result of using our products.

Our flame retardants enhance **fire safety** of consumer durables and buildings.

Gel bath soaps have **better colors** with **weather fastness** with the use of our pigments.

Paints have **reduced health hazards** and **aid energy-efficiency** when infused with our pigment preparations.

Recycled plastics using our inputs are **re-processed more efficiently. Solar panels** using our inputs **last longer**.

Our additives offer **strength** and **durability** to **PVC irrigation pipes**, thus **reducing wastage of water**.

And these are only some of the ways in which we touch lives...



AGRICULTURE

Our Licosperse range for fertilizer coloration comprises oil-based dispersions, newly developed for fertilizer surface coloration. This product was developed locally to match the desired shade by choosing a suitable color index and produced at our facility at Roha. In addition, we provide enhanced appearance to seeds and allow differentiation. This helps in better visualization of high quality and efficiency. By using our safe and regulated pigments in the coloration of agrochemicals, farmers can measure optimal dosage levels of fertilizers.

Our additives and masterbatches help greenhouse cultivations, by providing durable and 'green' agricultural films. PVC irrigation pipes become more durable and strong with the help of our additives, thus reducing wastage of water.



CONSUMER GOODS

Our low-halogenated, safe pigments and nickel-free sealants find applications in high-end electronics like smartphones. Our range of sustainable, non-halogenated flame retardants find use in high-end electrical and electronic goods like laptops, consumer durables, electrical circuits and fittings. Our safe and regulated pigments are used in child-friendly products like toys and stationery.

Our range of masterbatches ensure high-performance and durable white goods like refrigerators, washing machines, microwaves, personal electronics, etc. The masterbatches foaming agents help reduce total weight of plastic and resin consumption in consumer durables, thereby contributing to energy-efficient products.



FIBERS

Our pigments find use in mass coloration of Viscose Rayon, with lesser usage of water. Our range of waxes enable processing of PP/PET fibers at lower temperatures, thereby saving energy costs. We offer a range of additives and masterbatches for various fiber applications like carpets, clothing, automotive interiors that offer flame retardancy, durability, among other such features.



HOME AND PERSONAL CARE

Clariant became the market leader to offer effective pigment dispersions for gel bars, thereby replacing dyes, and maintaining the product chemistry. Our products meet strict specifications for heavy metal and aromatic amine contents, as well as for microbiological purity and are easily miscible, even in cold water, thereby reducing energy consumption during soap manufacturing. We have also found demand for our Flexonyl dispersions, which are water-based pigment/dye dispersions that have better light fastness.

Our whitening dyes find applications in detergents, thereby offering whiter, brighter, long-lasting clothes, with less usage of water. Our functional waxes – Licowax, used in applications like shoeshine, offer greater water repellency, thereby increasing shelf life of leather articles. Our range of pigments used for packaging of sensitive applications like food or cosmetics, follow global regulations and are free from lead, chromium, halogens and toxic solvents.



HEALTHCARE

Our Mevopur range of functional additives help enhance and protect medical devices and pharmaceutical packaging. REMAFIN-EP range of white masterbatches are targeted for use in safe and compliant packaging for parenteral, ocular and nasal drugs. Our solutions meet the latest industry trends for surface functionality and aesthetics while taking into account safety and regulatory compliance. Our 'open to audit' policy and controlled operations help meet FDA and other regulatory guidelines regarding fully traceable production.



INFRASTRUCTURE

Readymade color dispersions with better light and weather fastness that were compatible with bitumen formulations is a solution offered by Clariant to the construction industry. Our pre-dispersed, polyfast preparations have replaced existing powder colors, resulting in reductions in both the cycle time and cost for customers. Our range of easily-dispersible pigments, also find applications in paints used for road markings.

Our range of low VOC pigment preparations, used in decorative paints, help reduce health hazards. By using IR-reflective pigment preparations in water-based exterior paints, ambient temperatures in the interiors are reduced, thus aiding energy-efficiency and long-lasting exterior finishes. Our masterbatches find use in solar panels, ensuring their longevity and thus aid sustainable energy production.



PRINTING AND PACKAGING

We offer liquid InkJet ink dispersions, which help customers to offer suitable and cost effective products in the market. They will gain more market share by replacing the imported inks with our products.

In packaging, our range of pigments reduces warpage or distortion of flexible packaging, thereby cutting down on wastage and rejections. Our masterbatches ensure safe and compliant packaging of sensitive applications like food and personal care products. Using our specialty masterbatches, processors can increase the use of renewable, degradable and compostable bio-polymers along with ensuring efficient re-processing of recycled plastics. When used for packaging applications, our additive masterbatches enhance the shelf life of packaged products.



TRANSPORTATION

Our phthalate-free pigments are used in synthetic leather applications. Our low VOC anti-oxidants used in automotive interiors are used for reducing emissions of sulfur-based gases. Our range of sustainable, non-halogenated flame retardants, find application in personal and public transportation vehicles.

Our Hydrocerol technology for masterbatches helps reduce total weight of plastics in automobiles, thereby contributing to fuel-efficient vehicles. Our masterbatches find use in interiors of automobiles and prevent the plastics from degrading due to temperature fluctuations, UV or hydrocarbon exposure. Antistatic solutions minimize dust accumulation in the interior surfaces, thereby maintaining aesthetics and prolonging the life of automobiles.

Community **OUTREACH**





At all our sites, we have a culture of engaging with the local communities. At the beginning of the year 2017, we adopted 'SHINE' as our theme towards CSR in India so that we promote projects that are Sustainable, Healthy, Inspirational, Nurturing and Empowering. During the financial year 2016-17, we fortified our commitment to Health, Education and Community Development through the following events and initiatives:

- Organized Sports Day at Ma Niketan in Thane and Vatsalya in Mahalakshmi. A total of 190 children were part of the various activities.
- In another activity at Ma Niketan, Children's Day was celebrated by painting the walls of the shelter home. The paint was sponsored by the Coatings Team from BU Pigments.
- Continued association with the Zilla Parishad School, at Shahpur near Mumbai managed by Vatsalya Foundation and an Ashramshala under the Gadge Maharaj Trust.
- A month-long campaign in HQ for contribution to Goonj Foundation, involved in flood relief operations in various parts of India.
- Visit to Prem Daan in Airoli, an institution that houses destitute women and is run by the Missionaries of Charity.
- Continued association with Reach Education Action Programme (REAP) Foundation, by organizing a stationery donation drive.
- Organized a major blood donation drive wherein more than 300 colleagues across all our sites in India participated to mark World Blood Donation Day.
- Roha site connected with children in the community by organizing a star-gazing activity. Continued support for the expansion of Late D. G. Tatkare High School Virzoli, with the construction of a multi-purpose hall.
- Annual notebook donation drive was undertaken at Roha and on the occasion of National Safety Week, Safety Awareness Program was organized in two schools governed by the local Municipal Council.
- Supported the infrastructure development of Vidya Vikas Mandal's Shree Dinabhai More Vidyalaya at Sanegaon, Roha, for expansion of the school with additional classrooms, repairing the old school building, and for purchase of wooden benches and desks.
- Cuddalore site was involved in several infrastructure development projects for Sangeeth Shantham Foundation School, which supports special children located in the vicinity.
- Vashere Team donated projectors, screens, water filters and coolers to the Zilla Parishad School in Vashere. Also collaborated with New English School in Amane and donated computers, water coolers and benches.
- Provided office furniture along with uniforms and shoes to children of Kankar na Muvada Prathmik Shala, Kalol, Panchmahal.
- Provided water cooler along with UV water purifier to Bharat Commerce Vidyalaya Primary School, Nagda.
- Donated notebooks along with ceiling fans for Nandesari Primary School. Also, water connection was provided to the school toilets.
- Construction of roof shed over the assembly area at Surajba Kanya Shala, Bhadarva, Rania.

Awards & **ACCOLADES**



ITC AWARDS CLARIANT FOR VALUED ASSOCIATION

Consumer Care major - ITC Limited's Personal Care Products Business (PCPB) division recognized Clariant's Pigments Team for their valued association with ITC as a sustainable business partner. Clariant and ITC both offer high priority to sustainability, and thus this collaboration has resulted in several market-leading products in the personal care sector.



CLARIANT BAGS SIX DMAI AWARDS

At the annual presentation ceremony of Dyestuffs Manufacturers' Association of India (DMAI), Clariant in India bagged six Awards including the prestigious Anil Mehta Award for Best Large Scale Unit for 2015-16. The other Awards conferred include outstanding performance in domestic market, first Award in recognition of excellent performance in pollution control, first Award in recognition of excellent performance in safety & hazards control, Award for excellent performance in energy conservation and Award for excellent performance in water conservation.



CLARIANT WINS 'EXCELLENCE IN SUSTAINABILITY' AND 'SUSTAINABLE EMPLOYER OF THE YEAR' AWARDS

Clariant was awarded the first position for 'Excellence in Sustainability' and the second position for 'Sustainable Employer of the Year' by the Occupational Safety and Health Association of India (OSHAI). These accolades, which are awarded among peer companies, were conferred on Clariant for the sustainable initiatives the Company has undertaken, such as, reduction of its environmental footprints, energy saving campaigns, improving its safety culture, developing sustainable products and CSR activities.

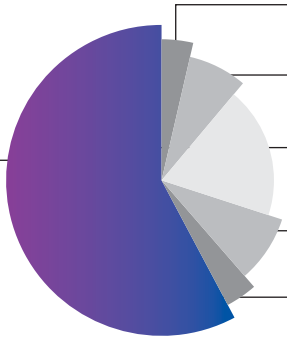


IT SERVICES AWARDED AT BUSINESS TECHNOLOGY AWARDS 2016

Clariant in India's IT Services Team was recognized for 'Excellence in Unified Communications' at the Data Quest (DQ) LIVE's Business Technology Awards 2016. DQ recognizes companies that have broken new ground in using IT. With Video-based IP telephony deployed across the HQ and manufacturing plants, it enables the Senior Management to connect with Plant Heads.

Financial **PERFORMANCE**

Distribution of Revenue (₹ Million)



Depreciation **395** (4%)

Excise Duty **787** (7%)

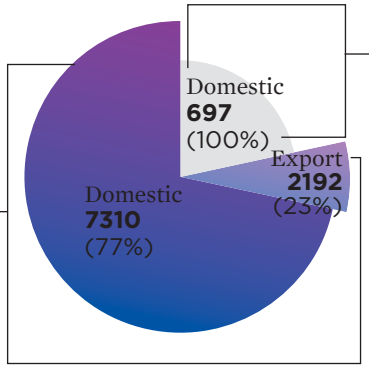
Other Expenses **2082** (20%)

Employee Benefits **906** (8%)

PBT **363** (3%)

Cost of Materials **6155** (58%)

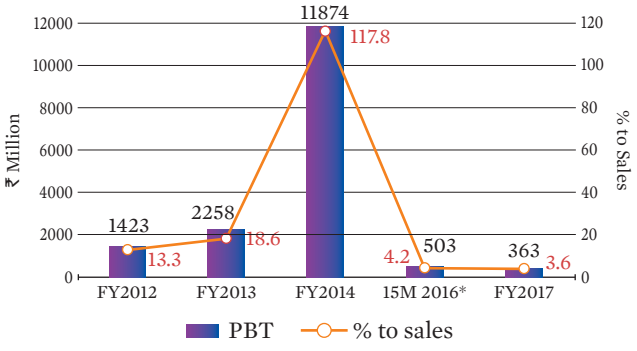
Composition of Sales (₹ Million)
Sales Segmentwise



Specialty Chemicals **697** (7%)

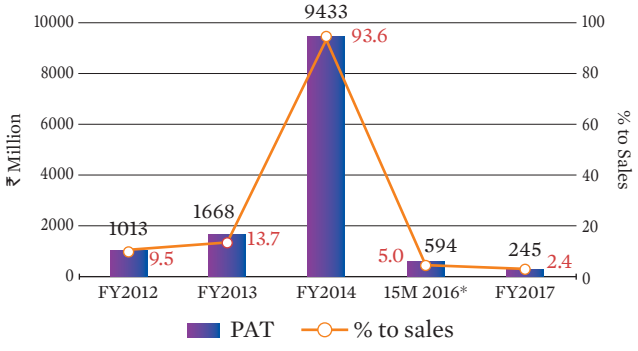
Plastics and Coatings **9502** (93%)

PBT with % to Sales



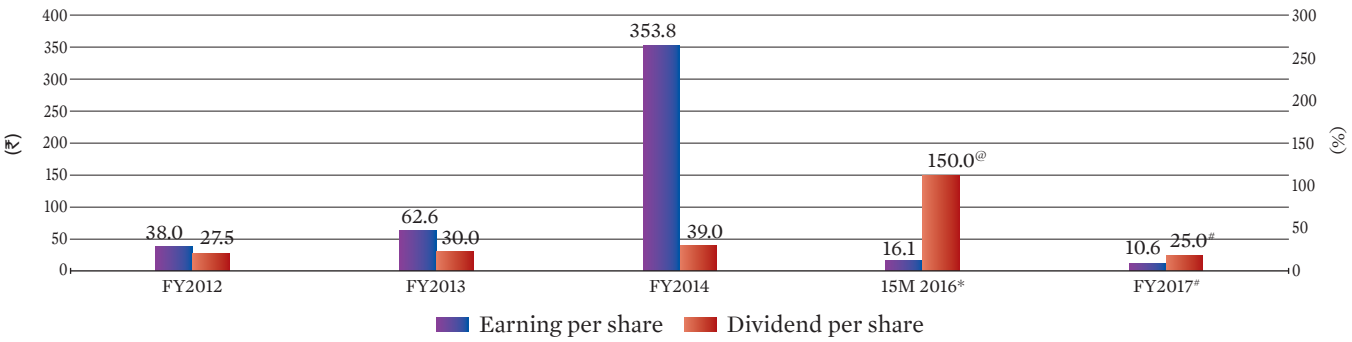
* Financial months' are for 15 months period ended March 31, 2016

PAT with % to Sales



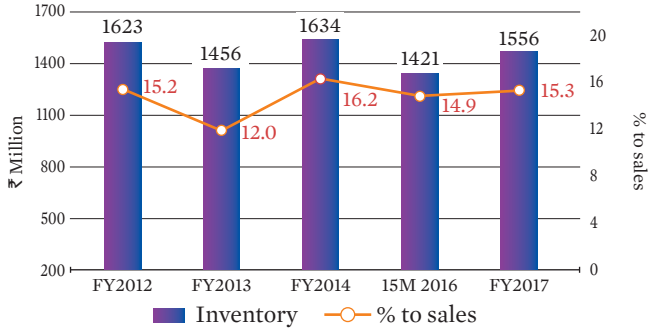
* Financial figures are for 15 months' period ended March 31, 2016

EPS and DPS

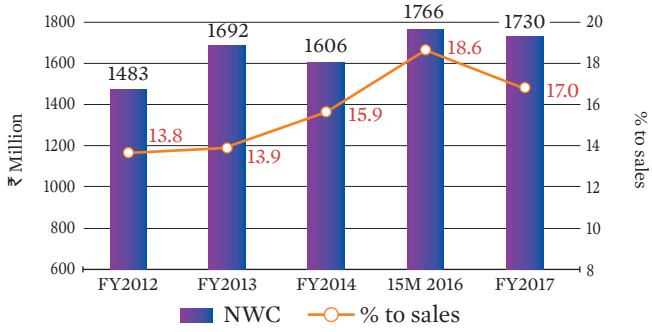


@ Include interim DPS of 140 paid out of prior period profits from sale of Kolshet site
* On continuing operations only
# Proposed Dividend

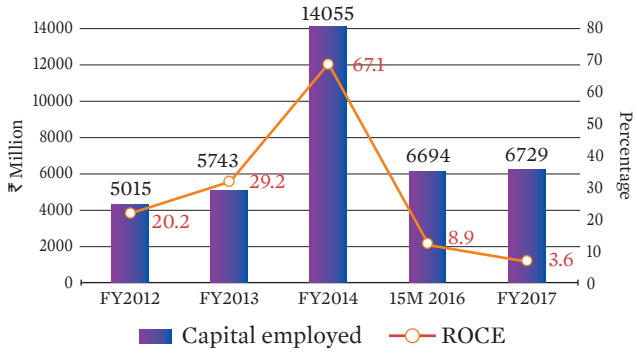
Inventory with % to Sales



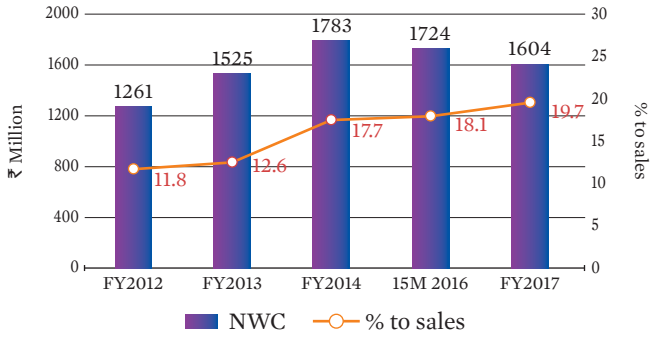
Receivables with % to Sales



Capital Employed and ROCE



Net Working Capital (NWC) with % to Sales



NOTICE

NOTICE is hereby given that the **Sixtieth** Annual General Meeting of the Company will be held at 04:00 p.m. on Friday, August 11, 2017, at Registered Office of the Company at Reliable Tech Park, Gut No. 31, Village Elthan, Off Thane-Belapur Road, Airoli, Navi Mumbai 400 708, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, together with the Reports of the Directors and Auditors thereon.

2. To declare Final Dividend on Equity Shares for the year ended March 31, 2017.

3. To appoint a Director in place of Mr. Alfred Muench (DIN 03092351) who retires by rotation and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Articles of Association, the members hereby ratify the appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number - 012754N/N500016) as Statutory Auditors of the Company to hold office as such from the conclusion of 60th Annual General Meeting till the conclusion of 61st Annual General Meeting, at such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 161, 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the approval of members be and is hereby accorded for the appointment of Mr. Adnan Ahmad (DIN 00046742) as Executive Director of the Company from April 3, 2017 and later as Vice-Chairman & Managing Director of the Company from June 1, 2017.

   RESOLVED FURTHER THAT the tenure of the office of Mr. Adnan Ahmad shall be for a period of three years commencing from April 3, 2017 and ending on April 2, 2020.

   RESOLVED FURTHER THAT subject to such regulatory approvals as may be required under the applicable provisions of the Companies Act, 2013 (the Act) and Schedule V of the Act, the terms and conditions and remuneration payable to Mr. Adnan Ahmad shall be as mentioned in the Explanatory Statement annexed to the Notice subject to overall limit of ₹ 6 Crore per year.

   RESOLVED FURTHER THAT the Board of Directors and the Key Managerial Personnel be and are hereby authorized severally to do all such acts, deeds, things and matters as may be required and necessary for giving effect to aforesaid resolution including but not limited to making entries in the Register of Directors, intimating to all the Stock Exchanges where the shares of the Company are listed, filing of prescribed forms and documents with Registrar of Companies (ROC), Mumbai & Central Government, taking approvals from applicable Regulatory authorities and do all such other incidental acts in this regard."

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

   "RESOLVED THAT pursuant to the provisions of Section 148 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. RA & Co., Cost Accountants, appointed as Cost Auditors for the Financial year 2017-18 to conduct audit of Cost Accounts of the Company be hereby paid the Fees of ₹ 1.80 Lakhs plus service tax and reimbursement of out of pocket expenses at actuals.

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

For and on Behalf of the Board

Ms. Amee Joshi
Company Secretary
ACS 22502

Date: May 23, 2017
Registered Office:
Reliable Tech Park, Gut No. 31,
Village Elthan, Off Thane-Belapur Road
Airoli, Navi Mumbai - 400708

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

Item No. 5

Consequent to Dr. Deepak Parikh's appointment as Head of Region North America, he will step down as the Vice-Chairman and Managing Director of the Company effective from closing of working hours of May 31, 2017.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on January 28, 2017, have approved the appointment of Mr. Adnan Ahmad as Executive Director of the Company effective from April 3, 2017 and later as Vice-Chairman & Managing Director from June 1, 2017 for a term of 3 years starting from April 3, 2017, subject to shareholders approval.

The terms and conditions for appointment of Mr. Adnan Ahmad is given below:

A. Salary Remuneration, perquisites and benefits:

(i) Basic Salary: ₹ 11,00,000/- (Rupees Eleven Lakh only) per month.

(ii) House Rent Allowance / Company Leased Accommodation: ₹ 525,000/- (Rupees Five Lakh Twenty Five Thousand only) per month.

(iii) Hotel Accommodation: ₹ 800,000/- (Rupees Eight Lakh only) per month for April, May & June 2017 on a temporary basis.

iv) Contribution to Provident Fund: Contribution to Provident Fund at the rate specified in the Provident Fund Act and Rules thereunder calculated on basic salary payable per month. The employee's contribution at the rate specified in the Provident Fund Act will be deducted from the monthly basic salary.

(v) Commission/Bonus: Target Bonus @ 80% of Base Salary i.e. ₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakh only) payable annually as per the Company Scheme.

(vi) Group LTIP (Long Term Incentive Plan) Matching Shares: 20% of Target Bonus i.e., ₹ 31,20,000/- (Rupees Thirty One Lakh Twenty Thousand only) payable annually.

(vii) Gratuity: As per Payment of Gratuity Act.

(viii) Retiral Allowance: ₹ 88,253/- (Rupees Eighty Eight Thousand Two Hundred Fifty Three only) per month.

(ix) Sitting Fees: Mr. Adnan shall not be paid sitting fees for attending the meeting of the Board of Directors of the Company.

(x) Perquisites and Benefits:

a. Annual Leave:

Leave of 30 calendar days on full pay and allowances, for every twelve months of service. Additionally, he will be entitled for 10 Sick Leave & 7 Casual Leave.

b. Club Fees:

Reimbursement of fees of any two clubs in India, including admission or entrance fees and monthly or annual subscriptions.

c. Personal Accident Insurance:

The Company shall purchase personal accident insurance policy for the coverage of 80* monthly Basic Salary as per Company policy.

d. Group Medical Insurance:

Group Medical Insurance with coverage of ₹ 500,000/- (Rupees Five Lakh only) for self & spouse & 2 Dependent children upto the age of 25 years as per the Company Policy.

e. Company maintained Car, Driver & Telephone:

Provision for Company maintained car with driver as per Company's policy. Reimbursement of Fuel expenses by Company at actuals.

A mobile phone facility will be provided, the cost of which will be borne by the Company.

f. Entertainment Expenses:

Reimbursement of entertainment expenses actually and properly incurred in the course of the business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

B. Other terms and conditions:

(i) Inadequacy of Profits:

In the event of inadequacy of the profits under Section 197 of the Companies Act, 2013, the remuneration comprising salary, allowances, commission/ bonus, perquisites and benefits, as detailed above shall be construed as minimum remuneration to Mr. Adnan during the term of his appointment. In the event the remuneration payable exceeds the limits prescribed under Schedule V read with relevant provisions of the Companies Act, 2013, the special resolution is proposed for the approval of shareholders for the payment of abovementioned remuneration to Mr. Adnan as minimum remuneration.

(ii) Not to engage in other employment:

Mr. Adnan will not engage in any employment or business enterprise that would in any way conflict with the services and interest of Company and shall comply with all applicable laws of the Country and refrain from political activities.

(iii) Business Conduct:

Mr. Adnan shall comply with Company's policies with regard to business ethics and shall maintain integrity in line with the Company's Code of Conduct and governance policies.

(iv) Termination:

The appointment may be terminated by either party by giving to the other party three months' written notice of such termination.

(v) Vacation of Office:

If at any time during the tenure of the appointment as Executive Director and later as the Vice-Chairman & Managing Director, Mr. Adnan ceases to be in the whole time employment of the Company for any reason whatsoever, he shall also cease to be a Director of the Company and simultaneously the agreement shall stand terminated.

(vi) Governing laws, jurisdiction and entire understanding:

The agreement between the Company and Mr. Adnan shall be governed by the laws of India including taxation laws as are applicable in India with exclusive jurisdiction of the Indian courts.

The Statement containing information as required under Schedule V of the Companies Act, 2013 is given below.

I. General Information

(1) Nature of Industry:

The Company is engaged in the business of manufacture and marketing of Plastics and Coatings and Specialty Chemicals.

(2) Date of commencement of commercial production: December 1956

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial Performance based on given indicators:

(₹ in Lakhs)

	FY 2016-17 (12 months)	FY 2015-16 (15 months)
Gross Sales	**101986.16**	118813.11
Profit before exceptional items & tax	**3628.77**	5026.61
Add : Exceptional items	**-**	2341.37
Profit before tax	**3628.77**	7367.98
Less: Tax expenses (incl. deferred tax)	**1180.73**	1431.04
Profit after tax	**2448.04**	5936.94

(5) Foreign Investments or collaborations, if any: Not Applicable

II. Information about the appointee:

(1) Background details:

Mr. Adnan holds a Master degree in Chemical Engineering from Queen's University. Mr. Adnan joins Clariant from BP as Regional Supply Chain Director Lubricants, Europe and Africa. He started his career with ICI India Ltd as Plant Manager Emulsions Explosives in 1985. He was appointed as General Manager, Supply Chain & IT, within ICI India Ltd in 2000 prior to joining Castrol India Ltd as Supply Chain Director in February 2004. In January 2008, Mr. Adnan joined BP as Regional Supply Chain Director Asia Pacific, Lubricants, prior to moving into his current role in April 2010.

(2) Past Remuneration:

Since it is the first appointment of Mr. Adnan Ahmad in the Company hence past remuneration is not applicable.

(3) Recognition and awards:

Mr. Adnan Ahmad was awarded the Helios Award for Human Energy by Lord Brown, the erstwhile Chairman of BP plc, for leading transformational change in Road Safety for Castrol India. He was also recognized by the global COO-BP Lubricants for turning around the performance of Supply Chain Operations across Europe and Africa. His track record for change included the design and commissioning of the first Batch Slurry Explosives Plant at a mine site for ICI India, and two Paint Plants in Thane and Mohali, in India.

He also led a successful but complex SAP implementation for ICI India. He received a National Energy Conservation award from the former Indian Prime Minister, Dr. Manmohan Singh in 2004.

(4) Job profile and his suitability:

Mr. Adnan Ahmad is a Chemical Engineer with 32 years of industry experience in leading companies such as BP and ICI. He is responsible for entire management of the Company and Business Development.

(5) Remuneration Proposed:

As provided in Explanatory statement annexed to the Notice of Annual General Meeting.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Considering the size of the Company, the profile, knowledge, skills and responsibility shouldered by Mr. Adnan Ahmad, the remuneration paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: None

III. Other Information:

(1) Reason for Loss:

Company has reported profit during the year.

(2) Steps taken or proposed to be taken for improvement:

The Company remains committed and focused on its drive for sustainable growth in all segments it operates, by way of targeting new markets, introducing innovative products and better material and cost management.

(3) Expected increase in productivity and profits in measurable terms:

Sales are expected to increase by 6% to 8% and EBIT at the rate of 4% to 6% on sales.

Notice, as required, under Section 160 of the Companies Act, 2013, have been received from one of the members proposing the candidature Mr. Adnan Ahmad as Executive Director and later as Vice-Chairman and Managing Director of the Company.

A copy of the draft agreement to be executed between the Company and Mr. Adnan Ahmad setting out the terms and conditions of his appointment will be available for inspection by Members at the Registered Office of the Company on any working day (Monday to Friday) during working hours.

The Board of Directors recommends passing of special resolution as set out at Item no. 5 in the accompanying notice.

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

Item No. 6

The Board of Directors, on the recommendation of Audit

Committee, considered and approved the 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 2017-18, at a remuneration of ₹ 1.80 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. 6 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

Ms. Amee Joshi
Company Secretary
ACS 22502

Date: May 23, 2017
Registered Office:
Reliable Tech Park, Gut No. 31,
Village Elthan, Off Thane-Belapur Road
Airoli, Navi Mumbai - 400708

NOTES:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the businesses set out under Item No. 5 & 6 is annexed to the Notice.

2. **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. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING. A person can act as a proxy on behalf of a member not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.**

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 5, 2017 to Friday, August 11, 2017 (Both Days Inclusive).

4. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

5. 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 18, 2017.
   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 4, 2017;
   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 4, 2017.

6. The amount outstanding in the unpaid dividend account in respect of Final Dividend for Financial year 2009-10 and Interim Dividend for Financial year 2010 will be transferred to Investor and Education Protection Fund after May 29, 2017 and August 31, 2017 respectively. Members who have still not claimed / encashed their dividends are requested to claim / encash the same at the earliest.

7. 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 Registrar & Transfer Agents 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 & 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 - 400 083, Maharashtra

8. Members / proxies are requested to bring their copies of Annual Report & duly filled attendance slips at the meeting and produce the same at the entrance where the Annual General Meeting is held.

9. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.

10. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.

11. The Annual Report of your Company for the year ended March 31, 2017 is displayed on the website of the Company i.e. **www.clariant.com**.

12. 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.

13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 60th Annual General Meeting of the Company by electronic means through remote e-voting facility provided by Central Depository Services (India) Limited (CDSL). Members who are holding shares in physical or dematerialized form as on August 4, 2017 shall exercise their vote by electronic means.

14. **REMOTE E-VOTING:** The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

(i) The voting period begins on Tuesday, August 8, 2017 (09:00 a.m.) & ends on Thursday, August 10, 2017 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 4, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.

(iii) Click on Shareholders/ Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID.

b. For NSDL: 8 Character DP ID followed by 8 digits Client ID.

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.

15. In case of Members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by remote e-voting, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. **For clarity, please note that the Members who have exercised their right to vote by remote e-voting shall not vote by way of poll at the Meeting.** The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

16. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., August 4, 2017 may obtain the login ID and password by sending an email to **investor.relations_India@clariant.com** or **rnt.helpdesk@linkintime.co.in** or **helpdesk.evoting@cdslindia.com** by mentioning their Folio No. / DP ID and Client ID.

17. 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 by way of Poll, to be conducted at the Annual General Meeting, in a fair and transparent manner.

18. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. Scrutinizer shall within 3 days 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.

19. The results declared along with the Scrutinizer's report shall be communicated to BSE Limited and The National Stock Exchange of India Limited and made available on the Company's website : **www.clariant.com** and on the website of CDSL : **www.cdslindia.com**.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of Director	**Mr. Alfred Muench**	**Mr. Adnan Ahmad**
Type	Non-Executive Director	Executive Director
Date of Birth	24/06/1960	31/05/1961
Date of Appointment	26/04/2011	03/04/2017
Qualification	Graduated and qualified as an Attorney at Law from Basel University	Master Degree in Chemical Engineering from Queen's University
No. of Equity Shares held	NIL	NIL
Expertise in Specific Functional area	Expertise in Legal & Business Administration	Expertise in overall Business development and Supply Chain management
Directorships held in other Listed Companies	NIL	NIL
Particulars of Committee Chairmanship / Membership held in other Listed Companies	NIL	NIL
Relationship with other Directors inter-se	None	None

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 60th Annual Report together with the Audited Statement of Accounts for the Year ended March 31, 2017.

These Financial Statements are the first Financial Statements of the Company under Indian Accounting Standards.

1. Financial performance of the Company

(₹ in Lakhs)

Particulars	12 months ended 31.03.2017	15 months ended 31.03.2016
Sales (Gross- including excise duty)	**101986.16**	118813.11
Profit before tax	**3628.77**	5026.61
Less: Tax expenses (incl. deferred tax)	**(1180.73)**	(935.52)
Profit after tax	**2448.04**	4091.09
Profit from discontinued operations (Net of tax expenses)	**-**	1845.85
Total profit for the period	**2448.04**	5936.94
Add: Balance brought forward from previous period	**52360.56**	91614.53
Amount available for appropriation	**54808.60**	97551.47
Appropriations :		
Interim dividend	**-**	37325.04
Final dividend	**2308.18**	-
Corporate Tax on dividend	**469.90**	7463.04
Transfer for equity instruments through Other comprehensive income (OCI)	**(1187.10)**	-
Other comprehensive income (OCI)	**73.98**	(65.26)
Utilised for buy back expenses	**-**	302.75
Depreciation adjustment on account of change in useful life of assets	**-**	165.34
Balance carried forward to the balance sheet	**53143.64**	52360.56

2. Review of operations

The operational performance for the current year is not strictly comparable with that of the previous period in view of the previous period being that for 15 months. The Company's continuing operations reported sales for the year ended March 31, 2017 stood at ₹ 101986.16 Lakhs as against ₹ 118813.11 Lakhs for the previous 15 months period ended March 31, 2016. However on a like to like period for the 12 months, Company recorded a sales growth of 7.8%. Of the total sales revenue for the year under review, 21% is contributed by exports. The Company's continued focus on sales growth, effective raw material management and cost control measures, helped in improving the Company's operational PBDIT (excluding other income) to ₹ 6713.22 Lakhs (6.6% of sales) against ₹ 6432.77 Lakhs (5.4% of sales) during the previous 15 months period ended March 31, 2016. The Company remains committed and focused on its drive for sustainable growth in all segments it operates, through better material and cost management, targeting new markets and introducing innovative products.

3. Dividend

The Board of Directors are pleased to recommend a final Dividend of ₹ 25/- per share (250%).

The final dividend together with tax thereon entails cash outflow of ₹ 6945.20 Lakhs and a payout of 227% of the total comprehensive income for the year ended 31 March 2017.

The total dividend for the period under review amounts to ₹ 25 per share (250%) as compared to ₹ 150 per share (1500%) paid for the previous year. (previous year includes final dividend of ₹ 10 per share & interim dividend of ₹ 140 per share based on the exceptional income arising from the sale of Kolshet land).

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** and also annexed as **"Annexure A"**.

4. Corporate Governance, Management Discussion and Analysis 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 Auditor's Certificate confirming the compliance with the conditions of corporate governance are attached herewith and forms part of this Annual Report.

5. 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.

6. 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.

7. Subsidiary Company

As on March 31, 2017, the Company does not have any subsidiary.

8. Details of Directors and Key Managerial Personnel

During the year under review, the Board of Directors, at their meeting held on January 28, 2017, appointed Mr. Adnan Ahmad as Executive Director of the Company effective from April 3, 2017 and further as Vice-Chairman and Managing Director effective from June 1, 2017 in place of Dr. Deepak Parikh who will step down as the Vice-Chairman and Managing Director of the Company effective from closing of working hours of May 31, 2017, consequent to his appointment as Head of Region, North America within the Clariant Group.

Notice, as required, under Section 160 of the Companies Act, 2013, have been received from one of the members proposing the candidature of Mr. Adnan Ahmad as Executive Director of the Company effective from April 3, 2017 and further as the Vice-Chairman & Managing Director effective from June 1, 2017.

The Board placed on records its sincere appreciation to Dr. Deepak Parikh for his excellent leadership in steering the overall growth and development of the Company and the contributions made during his tenure.

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 appointment and re-appointment forms part of the Notice of the 60th Annual General Meeting and the respective Resolutions are recommended for your approval.

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.

During the year under review, Mr. Sanjay Ghadge was appointed as the Chief Financial Officer in place of Ms. Raksha Kamdar, Interim Chief Financial Officer, with effect from May 20, 2016.

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

9. 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.

10. Number of meeting of the Board

During the year under review, the Board of Directors met 5 times on May 20, 2016, August 12, 2016, December 1, 2016, January 28, 2017 and February 10, 2017.

11. 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, 2017 are annexed to this report as **"Annexure B"**.

12. Corporate Social Responsibility

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of

Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee. Effective from June 1, 2017, the Committee 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
Mr. Karl Holger Dierssen	Non-Executive Director

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

13. 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 attached as **"Annexure D"**.

14. Board Evaluation and Familiarisation programme

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 Chairperson. The manner in which the evaluation has been carried out is stated in the Corporate Governance Report.

The details of programme for familiarization of the Independent Directors of your Company is available on the Company's website at **www.clariant.com**.

15. 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 attached as **"Annexure E"**.

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 provisions of 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 the registered office of the Company.

16. Directors' Responsibility Statement

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

(i) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The Directors had 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, 2017 and of the profit and loss of the Company for that period;

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors had prepared the annual accounts on a going concern basis;

(v) The Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

(vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. Statutory Auditor & Audit Report

In accordance with Section 139 of the Companies Act, 2013, M/s. Price Waterhouse Chartered Accountants LLP, (Firm Regn. No 012754N/ N500016), were appointed as Statutory Auditors by the members of the Company for a period of 4 years from the conclusion

of 58th Annual General Meeting, subject to ratification by the shareholders at every subsequent Annual General Meeting. The Statutory Auditors being eligible offer themselves for reappointment. Your Directors recommends the ratification of their appointment as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

The Auditor's in their report have commented 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. 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.

18. Cost Audit

The Board of Directors, in pursuance of order under Section 148 of the Companies Act, 2013, appointed M/s. RA & Co., Cost Accountants, as Cost Auditors of the Company to carry out the audit of the cost accounts relating to "Dyes" for the Financial year 2017-18, subject to approval of Central Government, if any. The cost audit report for the 15 months ended March 31, 2016 has been filed on due date.

19. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. V. V. Chakradeo, Practising Company Secretary, as Secretarial Auditor to carry out the secretarial audit for the Financial year 2016-17.

The Secretarial Audit Report is annexed herewith an **"Annexure F"**. The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further comments.

20. 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.

21. Extract of Annual Return

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

22. 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.

23. Related Party Transactions

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

All the Related Party Transactions entered during the year under review were in ordinary course of business and on arm's length basis. All the Related Party Transactions are placed before Audit Committee for review and approval. Prior omnibus approval 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 Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014 in the Form AOC-2 is attached as **"Annexure H"** to this report.

24. 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.

25. 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.

26. Vigil Mechanism

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

27. 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 has been one instance of an allegation of Sexual Harassment which is under investigation.

28. Details in respect of frauds reported by auditors under sub-section (12) of Section 143 "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.

29. 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

Mr. Kewal Handa
Chairman
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

ANNEXURE A

Dividend Distribution Policy

1. PREAMBLE

The Securities Exchange Board of India vide its Notification No. SEBI/LADNRO/ GN/2016 17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR] mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year.

2. OBJECTIVE

In compliance with Regulation 43A of the LODR, the Company is required to frame a Dividend Distribution Policy. The objective of this policy is to ensure the right balance between the quantum of Dividend paid and amount of adequate financial resources available for various business purposes.

3. EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. February 10, 2017.

4. DEFINITIONS

a) 'Act' means the Companies Act, 2013 and Rules made thereunder, including any amendments or modifications thereof.

b) 'Board of Directors' or 'Board' means the collective body of the Directors of the Company.

c) 'Company' means CLARIANT CHEMICALS (INDIA) LIMITED.

d) 'Dividend' shall mean Dividend as defined under Companies Act, 2013.

e) 'Policy' means 'Dividend Distribution Policy'.

5. PARAMETERS FOR DISTRIBUTION OF DIVIDEND

- The Company shall pay dividend in compliance with the provisions of Section 123 of the Act and Companies (Declaration and Payment of Dividend) Rules, 2014.

- The Board of Directors of the Company shall declare dividends at its own discretion and at such periodicity as they may deem fit. The Board will consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors:

The Board of Directors of the Company would consider the Free Cash Flow projections for the year under consideration for declaring or recommending dividend to shareholders.

External Factors:

The Board of Directors of the Company would consider the prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws for declaring or recommending dividend to shareholders.

6. UTILISATION OF RETAINED EARNINGS

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution for Dividend, after having due regard to the parameters laid down in this policy.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect Dividend under the following circumstances:

a. In the event of inadequate Free Cash Flows for the year or for future years.

b. In the event of Force Majore events outside the control of the company.

c. If the prevailing regulatory environment does not permit declaration or payment of dividend.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Company has issued only one class of shares i.e equity shares. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

9. POLICY REVIEW

The Board of Directors of the Company are authorised to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. PUBLICATION ON WEBSITE

The Policy will be available on the Company's website at **www.clariant.com**.

11. DISCLAIMER

(a) The above Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

(b) No part of this Policy, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever. Investor/prospective advisors must be sought on specific situation from well-informed legal, investment, tax, financial, and management professionals.

ANNEXURE B

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

A. Conservation of Energy:

The rising energy cost has laid great emphasis on conservation of energy. The Company has taken various measures, including regular monitoring of consumption, reduction of losses and improved maintenance to increase the efficiency and reduce the power cost.

The particulars with respect to power and fuel consumption are provided below:

(₹ in Lakhs)

			12 months ended March 31, 2017	15 months ended March 31, 2016
1.	**Electricity**			
	a)	**Purchased:**		
		Units (in 000 KwH)	**39121**	53035
		Total amount (₹ Lakhs)	**3014**	3469
		Rate per unit (₹)	**7.70**	6.54
	b)	**Own Generation:**		
	i)	Through diesel generator		
		Units (KL)	**255**	273
		Units per litre of diesel oil	**3.26**	3.34
		Cost per unit (₹)	**15.26**	15.58
	ii)	Through steam turbine/ generator	**Nil**	Nil
2.	**Coal**		**Nil**	Nil
3.	**Furnace Oil (including L.S.H.S.)**			
	Quantity (MT)		**4510**	2295
	Total cost (₹ Lakhs)		**1044**	476
	Average rate (₹ per Kg.)		**23.14**	20.75
4.	**Other internal generation**		**Nil**	Nil
5.	**Agro mass briquettes**			
	Quantity (MT)		**7771**	19927
	Total cost (₹ Lakhs)		**458**	1222
	Average rate (₹ per Kg.)		**5.90**	6.13

Consumption per unit of production:

The Company manufactures a wide variety of products. The products before reaching the finished final stage pass through various operations in the different plants. It is, therefore, not feasible to furnish the information in respect of consumption per unit of production.

B. Technology Absorption, Research & Development (R&D):

The Company during the year ended March 31, 2017 has not carried out any activity which can be construed as Research & Development and as of now there is no specific plan for engaging into such activities. As such, there is nothing to report under this section.

Technology absorption, adaptation and innovation:

The know-how and technology for the product is made available to the Company from Clariant. The adaptation of know-how and development to cater to the locally available raw materials and suit the requirement of customers for domestic or export markets is done by the Company at technical laboratories set up at various locations with world class facilities.

C. Foreign exchange earnings and outgo:

The particulars of foreign exchange earned and used during the year is given below:

The Foreign Exchange earned ₹ **23131 lakhs** (previous period ₹ 28043 lakhs).

Foreign exchange used ₹ **2498 lakhs** (previous period ₹ 2140 lakhs).

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

ANNEXURE C

Annual report on Corporate Social Responsibility (CSR) Initiatives

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

1. Overview of Corporate Social Responsibility

a. Philosophy and Policy

Clariant considers sustainability as its economic, environmental and social responsibility, which is why it also forms one of the key pillars of the Company's strategy, globally. Clariant strives to foster sustainable local development as well as add value to the local economy in which it operates. From the time Clariant set its foot into India years ago, the Company has been actively involved in reaching out to the communities around its sites, be it via aiding infrastructure development in local schools or undertaking reforestation measures.

Following Clariant International's initiatives of having Corporate Citizenship Activities (CCA), the Social Charter by the Government of India and the CSR Policy framed under Companies (Corporate Social Responsibility Policy) Rules 2014, Clariant continues to work towards enhancing allocation of resources and employee engagement to the marginalized groups in the Society. Hence, Clariant has identified and is working effectively to make a difference to the society in following focus areas:

- Health Care and Community support
- Education
- Environment protection

The CSR Policy of Clariant in India has been framed in accordance with the Section 135 of Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules") and amended as required. The Policy is applicable to all our sites and the Headquarters in India and for all the CSR Projects undertaken by the Company in accordance with Schedule VII of the Act.

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.

Clariant in India has been actively involved in several such projects in the vicinity of its sites, and aims to achieve a long term, positive impact on society. A glimpse into the undertaken social projects:

- Bettering infrastructure towards improved health care facilities
- Creating awareness on health, safety and nutrition among children and adults
- Enhancing infrastructure development at schools
- Promoting environment sustainability

b. Activities

The Company, as part of its CSR strategy, has positioned senior representatives within Clariant in India, to drive the projects effectively. The CSR Projects are initiated through:

- NGO Partners
- Direct employee engagement

With CSR themes clearly outlined, Clariant in India works towards achieving these through the implementation of long as well as short term projects. These projects are identified across various operational units of the Company, based on the needs of the society and the philosophy of maximizing impact.

The Company completed 29 projects on Education, 3 projects in Health of which one was blood donation Campaign across sites and 8 projects in Community welfare.

c. Governance

Clariant has a dynamic structure in place for effective implementation of CSR projects and activities. The implementation of all CSR activities is taken under guidance of the Board of Directors. The Board has empowered the CSR Committee to closely monitor and report about the progress.

Clariant adopts a comprehensive approach towards creating, monitoring and utilizing the CSR budgets. The commitment is ensured at the beginning of the year and the CSR budgets are allocated as per the long term and short term projects at each site.

2. Composition of CSR Committee

The Composition of the CSR Committee is as follows:

Name	Category
Dr. (Mrs.) Indu Shahani	Independent Director, Chairperson
Mr. Kewal Handa (From June 1, 2017)	Independent Director
Dr. Deepak Parikh (Upto May 31, 2017)	Vice-Chairman & Managing Director
Mr. Adnan Ahmad (From June 1, 2017)	Executive Director
Mr. Karl Holger Dierssen	Non-Executive Director

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

3. Average Net Profit of the Company for the last three financial years (Average Net Profit calculated in accordance with the provisions of Section 198 of the Companies Act, 2013): ₹ **4991.51 Lakhs**

4. Prescribed CSR Expenditure (2% of the amount as in item 3. Above): ₹ **99.83 Lakhs**

5. Details of CSR spent during the financial period January 1, 2016 to March 31, 2017:

a) Total amount to be spent for the financial year: ₹ 99.83 Lakhs

b) Amount unspent, if any: ₹ 66.06 Lakhs

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
1	MA Niketan – Organised sports activity with the children of different age groups.	Education	Airoli (Maharashtra)	16210	16210	16210	Direct
2	Organised sports activity at Vatsalya for both boys and girls a total of 110 children.	Education	Airoli (Maharashtra)	4258	4258	4258	Direct
3	Organised Movie show for the inmates at Prem Daan – Home for the mentally challenged women run by Mother Teresa Sisters.	Community	Airoli (Maharashtra)	12150	12150	12150	Direct
4	Support to Goonj Foundation – by individual employees and the Company.	Community	Airoli (Maharashtra)	50000	50000	50000	Indirect
5	Visit to MA Niketan during Diwali Holidays to celebrate children's day and lighten up the time.	Education	Airoli (Maharashtra)	13220	13220	13220	Direct
6	Support to ZP School.	Education	Vashere (Maharashtra)	14341	14341	14341	Direct
7	Support to REAP Foundation, girls' hostel.	Education	Airoli (Maharashtra)	14341	14341	14341	Direct
8	Support to Shri Gadge Maharaj Ashramshala.	Education	Airoli (Maharashtra)	14341	14341	14341	Direct
9	Vidya Vikas Mandal School - Donation for construction of classrooms & infrastructure facilities.	Education	Roha (Maharashtra)	250000	250000	250000	Direct

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
10	Navjivan Shikshan Prasarak Mandal - Construction of a classroom.	Education	Roha (Maharashtra)	250000	250000	250000	Direct
11	Support to Dnyanganga Bahuviklang Sanstha- Home for the mentally challenged.	Community	Roha (Maharashtra)	100000	100000	100000	Indirect
12	Sangeeth Shantham Foundation - Repairing of roof sheet, digging of drinking water borewell and providing shed for cooking to special school for mentally challenged children.	Community	Cuddalore (Tamilnadu)	276522	276522	276522	Direct
13	ZP School – Provided Desktop/Projector with screen and water filter.	Education	Vashere (Maharashtra)	51500	51500	51500	Direct
14	New English school, Amne - Provided water filter, benches and computers.	Education	Vashere (Maharashtra)	160600	160600	160600	Direct
15	Support to Kankarna Muvada Prathmik Shala.	Education	Kalol (Gujarat)	54340	54340	54340	Direct
16	MA Niketan- Contribution at the GMT towards education and nutrition	Education	Airoli (Maharashtra)	500000	500000	500000	Indirect
17	Vatsalya Foundation- Contribution at the GMT towards education and nutrition.	Education	Airoli (Maharashtra)	500000	500000	500000	Indirect
18	Support to Roha Taluka Shishan Prasarak Mandal- orphanage.	Education	Roha (Maharashtra)	50000	50000	50000	Indirect
19	Support to Roha Education & Welfare Associations English Medium School for their Digital Classroom & Presentation Hall.	Education	Roha (Maharashtra)	100000	100000	100000	Direct
20	Visit to Vatsalya Foundation- to celebrate children's common birthday.	Education	Airoli (Maharashtra)	904	904	904	Direct
21	Organised Movie show for the inmates at Prem Daan – Home for the mentally challenged women run by Mother Teresa Sisters.	Community	Airoli (Maharashtra)	12715	12715	12715	Direct
22	Shri Jagannath Rathi Trust, towards education.	Education	Roha (Maharashtra)	500000	500000	500000	Indirect

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
23	Roth Khurd Grampanchayat - support to village infrastructure project.	Community	Roha (Maharashtra)	200000	200000	200000	Indirect
24	Provided drinking water facilities for Bharat Commerce Vidhylaya primary school- SS Water Cooler & UV-Water Purifier.	Health	Nagda (Madhya Pradesh)	60008	60008	60008	Direct
25	Surajba Kanya Shala, -provided roof shed in open ground for protection and carrying out various outdoor activities for students.	Education	Rania (Gujarat)	171500	171500	171500	Direct
	Spend ₹			**3376950**	**3376950**	**3376950**	

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

The year 2016-17 has seen a remarkable change in Company's CSR activities. We completed 29 projects on Education, 3 projects in Health of which one was blood donation Campaign across sites and 8 projects in Community welfare. Over last year, we have seen more of our Sites and HQ actively engaged with activities and seen more of employee participation. This year we had around 586 employees participating in CSR activities near their Sites and HQ with roughly 926 hours of personal time. Our Senior Management too has participated in our projects. In June 2016, 6 of our Sites conducted a blood donation campaign for children suffering from Thalassemia. More than 300 employees both Company and Contract donated blood. The Company has been spending on CSR, on its focused themes and programs. Apart from monetary contribution, there is exemplary contribution of Company's employees on CSR projects.

The Company has devoted time in structuring its CSR projects and enhanced governance, in line with Schedule VII of Companies Act, 2013 and rules made thereunder and has laid foundation for CSR initiatives in the coming years. While during the period under review, the Company has not met the recommended spend of 2% of Average Net Profits for the last three years, the Company's thrust continues to increase the Company's CSR spend on the basis of merit of the CSR projects both monetary as well as non-monetary terms.

7. Responsibility Statement

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

For and on behalf of the Board of Directors

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

Mr. Kewal Handa
Co-opt Chairman - CSR Committee
(Meeting Dt. May 23, 2017)
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

ANNEXURE D

Nomination and Remuneration Policy

1. Objective:

The objective of the policy is

a. To ensure that Whole Time Directors, Key Managerial Personnel and Senior executives of high caliber are being attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.

b. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.

c. To evaluate the performance of the Whole time Directors, Key Managerial Personnel and Senior Executives.

d. To recommend to the Board on Remuneration payable to the Whole time Directors, Key Managerial Personnel and Senior Executives.

e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Whole time Directors, Key Managerial Personnel and Senior Executives.

2. Criteria for board membership and board diversity:

a. The Director must have relevant experience in Finance/Law/Management/Sales/Marketing/ Administration/Research/Corporate Governance/ Technical Operations/ Human Resources or the other disciplines related to Company's business.

b. The Director should possess the highest personal and professional ethics, integrity and values.

c. The Independent Director shall not have any material financial interest with the Company or through any of its officers, other than as a director or shareholder of the Company. Wherever required a Director should disclose the nature of his interest, if there are reasons to believe there is or a likelihood of potential conflict of interest.

d. The Independent Directors shall fulfill the criteria specified in Schedule IV and Section 149(7) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement.

3. Remuneration criteria:

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

For Managing / Whole-time Directors

The Board of Directors / the Nomination and Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement benefits as per the law / rules, Performance Linked Incentive / Commission and other emoluments. Annual increments are decided by the Nomination and Remuneration Committee within the salary grade approved by the Members. In addition to the above remuneration, Expatriate Directors are paid Overseas Allowance / Special Allowance and certain other Perquisites as per the Rules of the Company.

For Non-executive Directors

The Non-executive Directors other than those representing the majority shareholders are remunerated by way of Sitting Fees and Commission. For the Key Managerial Personnel and Senior Executives

- The remuneration of other KMP and other Senior Executives largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.
- They are also entitled to customary non-monetary benefits such as Company car and Company health care, telephone & accommodation on case to case to basis.
- The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company

while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

4. Performance evaluation of directors:

The Companies Act, 2013 and SEBI with Stock Exchanges mandate that the Independent Directors shall bring an objective view in the evaluation of the performance of the Board and Management. As per Clause VII of the Schedule IV to the Companies Act, 2013, the Independent Directors shall (a) review the performance of the Non-Independent Directors and the Board as a whole and (b) also review the performance of the Chairman of the Company, taking into account the views of executive and non-executive directors. The performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The purpose of a board evaluation is to improve board and Company performance. It allows the Board to identify problems and highlight areas where performance can be enhanced. As a first step, it is proposed to have a combined review of Board's performance.

The Evaluation Questionnaire for Independent Directors, Non Independent Directors and Chairman is given in Annexure 1.

5. Amendment:

This policy shall remain in force unless modified by the Nomination & Remuneration committee.

6. Note:

The provisions of the Companies Act, 2013 and rules thereto and the Listing Agreement (including any amendment thereto from time to time) to the extent applicable, shall be apply in addition to this policy.

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

ANNEXURE E

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, 2017	Ratio of Remuneration to median remuneration of employees
1	Dr. Deepak Parikh Vice-Chairman & Managing Director	698.58	131.83

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

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

Executant Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Dr. Deepak Parikh Vice-Chairman & Managing Director	3.3%
Mr. Sanjay Ghadge Chief Financial Officer (From May 20, 2016)	N.A
Ms. Raksha Kamdar Interim Chief Financial Officer (Upto May 20, 2016)	N.A
Ms. Amee Joshi Company Secretary	25%

iii. The percentage increase in the median remuneration of employees in the financial year: 7.6%

iv. The number of permanent employees on the rolls of Company as on March 31, 2017: 817

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: 9.3%

Average Percentile Increase for managerial personnel: 3.3 %

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

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

ANNEXURE F

Form No. MR-3
Secretarial Audit Report
For the year April 1, 2016 to March 31, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our 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 authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion the Company had during the audit period covering the financial year ended on March 31, 2017 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 records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

i) The Companies Act, 2013 (Act) and the Rules thereunder;

ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;

iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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;

vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

vii) All applicable Labour Laws;

viii) Factories Act, 1948;

ix) Bombay Shop & Establishment Act, 1948;

x) Environment Protection Act, 1986 and other applicable environmental laws;

xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003;

xii) Indian Contract Act, 1872;

xiii) Income Tax Act, 1961 and Indirect Tax Laws.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I/we 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 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 Meeting and agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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.

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 V V CHAKRADEO & CO.

Company Secretary

(V V CHAKRADEO)
Proprietor
FCS No: 3382; C.P. No: 1705

Place: Mumbai
Date: May 12, 2017

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 our 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 record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for our opinion.

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

For V V CHAKRADEO & CO.

Company Secretary

(V V CHAKRADEO)
Proprietor
FCS No: 3382; C.P. No: 1705

Place: Mumbai
Date: May 12, 2017

ANNEXURE G

Form No. MGT-9
Extract of Annual Return
For the Financial Year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

1.	CIN	L24110MH1956PLC010806
2.	Registration Date	27/12/1956
3.	Name of the Company	Clariant Chemicals (India) Limited
4.	Category/Sub-Category of the Company	Public Company Limited by Shares
5.	Whether listed Company (Yes/No)	Yes
6.	Address of Registered Office and Contact details	Reliable Tech Park, Gut No. 31, Village Elthan, off Thane Belapur Road, Airoli, Navi Mumbai - 400708, Maharashtra Tel: 022 7125 1000 Fax: 022 7125 1201 Email id: **investor.relations_India@clariant.com** Website: **www.clariant.com**
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited (w.e.f. April 11, 2016) C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra Tel: 022 49186000 Fax: 022 49186060 Email id: **rnt.helpdesk@linkintime.co.in**

II. Principal Business Activities of the Company:

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

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the Company
1.	Synthetic organic coloring matter	20114	62
2.	Colours, Dyes and Pigments	20224	23

III. Particulars of Holding, Subsidiary and Associate Companies: Not Applicable

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

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity):

A) Category-wise Share Holding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	**Promoters**									
1)	**Indian**									
a	Individuals/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b	Central Goverment	0	0	0	0.00	0	0	0	0.00	0.00
c	State Goverment	0	0	0	0.00	0	0	0	0.00	0.00
d	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e	Banks/ Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
f	Any other (specify)									
g	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
2)	**Foreign**									
a	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c	Bodies Corporate	14827050	0	14827050	64.24	11772050	0	11772050	51.00	13.24
d	Banks/ Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e	Any other (specify)									
	Sub-Total (A) (2)	**14827050**	**0**	**14827050**	**64.24**	**11772050**	**0**	**11772050**	**51.00**	**13.24**
	Total holding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**14827050**	**0**	**14827050**	**64.24**	**11772050**	**0**	**11772050**	**51.00**	**13.24**
B	**Public Shareholding**									
1)	**Institutions**									
a	Mutual Funds/ UTI	361448	125	361573	1.57	2706203	125	2706328	11.72	-10.16
b	Central Goverment	0	0	0	0.00	0	0	0	0.00	0.00
c	State Goverment	0	0	0	0.00	0	0	0	0.00	0.00
d	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e	Foreign Portfolio Investors	191958	0	191958	0.83	868154	0	868154	3.76	-2.93
f	Financial Institutions / Banks	21870	3395	25265	0.11	290616	3395	294011	1.27	-1.16
g	Insurance Companies	269662	0	269662	1.17	0	0	0	0.00	1.17
h	Foreign Institutional Investors	609416	0	609416	2.64	1257	0	1257	0.01	2.63
i	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j	Others (specify)									
	i. Foreign Banks	0	0	0	0.00	1021	0	1021	0.00	0.00
	Sub-Total (B) (1)	**1454354**	**3520**	**1457874**	**6.32**	**3867251**	**3520**	**3869750**	**16.77**	**-10.45**
2)	**Non-Institutions**									
a	Bodies Corporates									
	i. Indian	687994	9323	697317	3.02	751401	0	751401	3.26	-0.23

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b	Individuals									
	i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4944126	656782	5600908	24.27	5002402	645631	5648033	24.47	-0.20
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	302208	32395	334603	1.45	232416	32395	264811	1.15	0.30
c	Others (specify)									
	i. Non-Resident Indian	150888	4435	155323	0.67	237693	4435	242128	1.05	-0.38
	ii. Overseas corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	iii. Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
	iv. Clearing Members	0	0	0	0.00	96401	0	96401	0.42	-0.42
	v. Trust	6263	2090	8353	0.04	167379	2090	169469	0.73	-0.70
	vi. Foreign National	370	0	370	0.00	370	0	370	0.00	0.00
	vii. HUF	0	0	0	0.00	264560	0	264560	1.15	-1.15
	viii. Office Bearers	0	0	0	0.00	0	1804	1804	0.01	-0.01
Sub-Total (B) (2)		**6091849**	**705025**	**6796874**	**29.45**	**6752622**	**686355**	**7438977**	**32.23**	**-2.78**
Total Public Shareholding (B)= (B)(1) + (B)(2)		**7546203**	**708545**	**8254748**	**35.76**	**10619873**	**689875**	**11309748**	**49.00**	**-13.24**
C	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)		**22373253**	**708545**	**23081798**	**100.00**	**22391923**	**689875**	**23081798**	**100.00**	**0.00**

B) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - April 1, 2016			Shareholding at the end of the year - March 31, 2017			% change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Ebito Chemiebeteiligungen AG	7164426	31.04	0.00	4109426	17.80	0.00	13.24
2	Clariant International Limited	5329186	23.09	0.00	5329186	23.09	0.00	0.00
3	Clariant Plastics & Coatings Limited (Erstwhile known as Clariant Participations Limited)	2333438	10.11	0.00	2333438	10.11	0.00	0.00
	Total	**14827050**	**64.24**	**0.00**	**11772050**	**51.00**	**0.00**	**13.24**

C) Change in Promoters' Shareholding:

Sr. No.	Name of Promoter	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	**Ebito Chemiebeteiligungen AG**	**7164426**	**31.04**					
	Changes during the year			16/12/2016	-3055000	Transfer	4109426	17.80
	At the end of the year	**4109426**	**17.80**					
2	**Clariant International Limited**	**5329186**	**23.09**					
	Changes during the year			-	-	-	-	-
	At the end of the year	**5329186**	**23.09**					
3	**Clariant Plastics & Coatings Limited**	**2333438**	**10.11**					
	(Erstwhile known as Clariant Participations Limited)							
	Changes during the year			-	-	-	-	-
	At the end of the year	**2333438**	**10.11**					

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

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
	For each of the Top Ten Shareholders	No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	**SBI MAGNUM MIDCAP FUND**	**0**	**0.00**					
	Changes during the year			23/12/2016	916500	Transfer	916500	3.97
				17/03/2017	30000	Transfer	946500	4.10
	At the end of the year	**946500**	**4.10**					

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
	For each of the Top Ten Shareholders	No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
2	**DSP BLACKROCK MICRO CAP FUND**	**0**	**0.00**					
	Changes during the year			23/12/2016	865400	Transfer	865400	3.75
	At the end of the year	**865400**	**3.75**					
3	**SWISS FINANCE CORPORATION (MAURITIUS) LIMITED**	**597902**	**2.59**					
	Changes during the year			04/11/2016	-4755	Transfer	593147	2.57
				11/11/2016	-8300	Transfer	584847	2.53
	At the end of the year	**584847**	**2.53**					
4	**SUNDARAM MUTUAL FUND A/C SUNDARAM EQUITY MULTIPLIER**	**0**	**0.00**					
	Changes during the year			23/12/2016	514750	Transfer	514750	2.23
				30/12/2016	-20361	Transfer	494389	2.14
				06/01/2017	-9758	Transfer	484631	2.10
				13/01/2017	-27997	Transfer	456634	1.98
				20/01/2017	-16043	Transfer	440591	1.91
				27/01/2017	-20947	Transfer	419644	1.82
				03/02/2017	-29638	Transfer	390006	1.69
				10/02/2017	-22590	Transfer	367416	1.59
				17/02/2017	-1400	Transfer	366016	1.59
	At the end of the year	**366016**	**1.59**					
5	**BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.**	**0**	**0.00**					
	Changes during the year			23/12/2016	232450	Transfer	232450	1.01
				30/12/2016	23000	Transfer	255450	1.11
				06/01/2017	10000	Transfer	265450	1.15
				31/03/2017	20000	Transfer	285450	1.24
	At the end of the year	**285450**	**1.24**					
6	**ICICI PRUDENTIAL MIDCAP FUND**	**0**	**0.00**					
	Changes during the year			23/12/2016	267450	Transfer	267450	1.16
	At the end of the year	**267450**	**1.16**					

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
	For each of the Top Ten Shareholders	No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
7	**GENERAL INSURANCE CORPORATION OF INDIA**	**173061**	**0.75**					
	Changes during the year			-	-	-	-	-
	At the end of the year	**173061**	**0.75**					
8	**DSP BLACKROCK ALTERNATIVE INVESTMENT FUND - CATEGORY III DSP BLACKROCK INDIA ENHANCED EQUITY FUND**	**0**	**0.00**					
	Changes during the year			23/12/2016	157450	Transfer	157450	0.68
	At the end of the year	**157450**	**0.68**					
9	**LLOYD GEORGE INDIAN OCEAN MASTER FUND**	**0**	**0.00**					
	Changes during the year			09/12/2016	12058	Transfer	12058	0.05
				16/12/2016	323	Transfer	12381	0.05
				23/12/2016	21619	Transfer	34000	0.15
				13/01/2017	16620	Transfer	50620	0.22
				27/01/2017	9119	Transfer	59739	0.26
				17/02/2017	32756	Transfer	92495	0.40
				24/02/2017	5609	Transfer	98104	0.43
				10/03/2017	19900	Transfer	118004	0.51
	At the end of the year	**118004**	**0.51**					
10	**UTI-DIVIDEND YIELD FUND**	**171000**	**0.74**					
	Changes during the year			27/05/2016	-18000	Transfer	153000	0.66
				10/06/2016	-8709	Transfer	144291	0.63
				17/06/2016	-9291	Transfer	135000	0.58
				16/12/2016	-9000	Transfer	126000	0.55
				23/12/2016	-9000	Transfer	117000	0.51
	At the end of the year	**117000**	**0.51**					

E) Shareholding of Director and Key Managerial Personnel:

Sr. No.	Name of Director / KMP	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
	NIL							

V. Indebtedness:

Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended March 31, 2017:

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2016)				
i) Principal Amount	-	-	475.77	475.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**475.77**	**475.77**
Change in Indebtedness during the financial year				
Addition	-	-	49.47	49.47
Reduction	-	-	(16.42)	(16.42)
Net Change	**-**	**-**	**33.05**	**33.05**
Indebtedness at the end of the financial year (31/03/2017)				
i) Principal Amount	-	-	508.82	508.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**508.82**	**508.82**

VI. Remuneration of Directors and Key Managerial Personnel for the year ended March 31, 2017:

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Dr. Deepak Parikh Vice-Chairman & Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	407.45
	(b) Value perquisites u/s 17(2) Income Tax Act, 1961	84.88
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Share based payments	56.90
3.	Sweat Equity	-
4.	Commission As % of Profit Others, Specify	 - -
5.	Others Provident Fund & Superannuation Fund	 20.85
	Performance Bonus	128.50
	Total (A)	**698.58**
	Ceiling as per the Act (Being 5% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)	191.92

B. Remuneration of other Directors:

(₹ in Lakhs)

Sr. No.	Name of the Director	Fee for attending Board / Committee Meetings	Commission	Others	Total
1.	**Independent Directors**				
	Mr. Kewal Handa	9.30	8.00	-	17.30
	Mr. Sunirmal Talukdar	8.75	6.00	-	14.75
	Dr. (Mrs.) Indu Shahani	5.50	6.00	-	11.50
	Total (1)	**23.55**	**20.00**	**-**	**43.55**
2.	**Other Non-Executive Directors**				
	Mr. Alfred Muench	-	-	-	-
	Mr. Karl Holger Dierssen	-	-	-	-
	Mr. Mario Brocchi	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**23.55**	**20.00**	**-**	**43.55**
	Ceiling as per the Act (Being 1% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)				38.38

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP			Total Amount
		Ms. Raksha Kamdar, Interim Chief Financial Officer (From April 1, 2016 to May 20, 2016)	Mr. Sanjay Ghadge, Chief Financial Officer (From May 20, 2016)	Ms. Amee Joshi, Company Secretary	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8.27	164.91	16.04	189.22
	(b) Value perquisites u/s 17(2) Income Tax Act, 1961 of the Income Tax act, 1961	0.05	57.41	-	57.46
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Share based payments	-	2.90	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of Profit	-	-	-	-
	- Others, Specify	-	-	-	-
5.	Others				
	Contribution to Provident Fund & Superannuation Fund	0.63	-	0.65	1.28
	Performance Bonus	1.91	44.88	2.09	48.88
	Total (C)	**10.86**	**270.10**	**18.78**	**296.84**

VII. Penalties / Punishment/ Compounding of Offences (Under the Companies Act): None

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

ANNEXURE H

Form AOC-2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017:

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Value
Clariant (Singapore) Pte. Ltd.	Sale of finished goods as per purchase order raised from time to time.	On Going	Ordinary course of business and at arm's length price	-	NIL	20,182.46

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman
DIN (00056826)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
DIN (06504537)

Navi Mumbai, May 23, 2017

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview

The global economy has recovered smartly and is expected to grow at 3.5% in 2017 and 3.6% in 2018 according to the International Monetary Fund (IMF). This growth will be driven by emerging market economies, which now accounts for almost 75% of global growth. Commodity prices picked up, dispelling deflationary pressures and the job scenario in leading nations like the USA began to show growth impulses. Consumer confidence in key regions kept investor sentiments buoyant and major market indices closed the year on a positive note. Within this scenario, the Indian economy continued to be one of the fastest growing major economies with the IMF estimating that the country would grow at 7.2% in 2017 and 7.7% in 2018.

The Government pressed ahead with its agenda for progress, passing some crucial Legislative Bills, such as the Goods and Services Tax Bill, which will result in streamlining of Central and State Government taxes and pave the way for a more fair, transparent and uniform tax system in the country in the near future. This and other decisive measures, such as the demonetization drive and efforts to build on the 'Make in India' theme by allowing 100% FDI into a gamut of sectors, amongst many others, resulted in an increase in global confidence in India.

Industry Overview: Specialty Chemicals

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

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

The Indian Chemical Industry is the third largest producer in Asia and the sixth largest producer globally, according to the Ministry of Commerce, FICCI and CII. It accounts for about 2.11% of GDP and has an estimated market size of USD 140 Billion, within which, specialty chemicals accounts for about USD 24 Billion.

Specialty chemicals find application in various consumer, industrial and infrastructure products. Accordingly, they drive the growth of the overall economy and agrochemicals share a strong linkage with the growth of the rural economy.

The growth of specialty chemicals is driven by both domestic consumption and exports. A significant portion of domestically produced specialty chemicals such as agrochemicals, dyes and pigments, flavors and fragrances, are exported. With the launch of the Government's 'Make in India' campaign, India is expected to receive further impetus as a manufacturing hub for the chemical industry in the medium term.

The current estimated size of the Paints and Coatings industry is about ₹ 350 Billion and the industry is growing at 12-13% CAGR. Per capita consumption of paints is a little over 4 kgs. which is much lower compared to the global average. The unorganized segment has about 35% market share in the market and this consists of around 2000 small to medium enterprises. Architectural coatings constitute 70% of the market share and the balance is from Industrial coatings segment.

On the positive side, softening of international crude and commodity rates have eased the mounting cost pressures on the industry to some extent. While operating margins have not improved much, they can certainly expand in the forthcoming quarters should things continue to remain the same. All the key players in this sector have done capacity expansions and have started production from new plants.

The market for paints in India is expected to grow at 1.5 times to 2 times GDP in the next five years. Architectural paints segment is expected to witness higher growth going forward. The fiscal incentives given by the Government to the housing sector have immensely benefited the housing sector. This will benefit key players in the long term. Although the demand for industrial paints is lukewarm it is expected to increase going forward. This is on account of increasing investments in infrastructure. Domestic and global auto majors have long term plans for the Indian market, which augur well for automotive paint manufacturers. Increased industrial paint demand, especially powder coatings and high performance coatings will also propel

topline growth of paint majors in the medium term. Volatility of the Indian currency and international oil prices and worries about a normal monsoon continue to be major challenges facing the paint industry.

Per capita Plastics consumption in India is around 10 kgs. currently compared to the Global average of 27 kgs. The Government plans to increase it to 20 kgs. by 2022. The Indian polymer additive market size is around USD 400 million and is expected to grow @ 10% CAGR. The Indian Polymers and Petrochemicals manufacturing capacity is expected to grow to 50 Million Tons per annum.

Company Profile and Performance

Clariant Chemicals (India) Limited manufactures and sells specialty chemicals. Its product range has been classified into two business segments: Plastics and Coatings (Pigments, Additives and Masterbatches) and Specialty Chemicals (Dyestuff, Synthetic Resin, Functional effect and Coatings, Auxiliaries and Chemicals). The Company's products 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 one of the world's leading specialty chemical 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 is focused on addressing the key 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'.

These Financial Statements up to and including 15 months period ended March 31, 2016 were prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS.

The operational performance for the current year is not strictly comparable with that of the previous period in view of the previous period being that for 15 months. The Company's continuing operations reported sales for the year ended March 31, 2017 stood at ₹ 101986.16 Lakhs as against ₹ 118813.11 Lakhs for the previous 15 months period ended March 31, 2016. However, on a like to like period for the 12 months, Company recorded a sales growth of 7.8%. Of the total sales revenue for the year under review, 21% is contributed by exports. The Company's continued focus on sales growth, effective raw material management and cost control measures, helped in improving the Company's operational PBDIT (before other income) to ₹ 6713.22 Lakhs (6.6% of sales) against ₹ 6432.77 Lakhs (5.4% of sales) during the previous 15 months period ended March 31, 2016. The Company remains committed and focused on its drive for sustainable growth in all segments it operates, through better material and cost management, targeting new markets and introducing innovative products.

Comparative Financial Performance of continuing operations

Particulars	12 months period ended 31-03-2017	15 months period ended 31-03-2016
Sales growth (%)	7.8	40.2*
Domestic sales growth (%)	9.2	47.3*
Export sales growth (%)	3.4	24.2*
Operational PBDIT before other income (% to sales)	6.6	5.4
PAT (% to sales)	2.3	3.3
ROCE (%)	3.6	6.1
Earnings Per Share (₹)	10.6	16.1
Cash earnings per share (₹)	27.7	35.9
Book value per share (₹)	291.5	290.0

* Growth numbers have been calculated based on previous Indian GAAP and hence are not strictly comparable.

The Company remains a zero debt company with no long-term borrowings. The credit rating for the Company is reaffirmed 'CARE AAA' for long term bank facilities and 'CARE A1+' for short term non fund based bank facilities. This endorses the confidence on the financial standing of the Company. Short-term bank borrowings are restricted to the need based working capital requirements. The Company has sustained its performance in efficient management of working capital. The year end ratio of Inventory to sales of 15%, receivables to sales of

17% and the net working capital to sales of 16% is one of the best in the specialty chemical industry. Net cash from operations during the year before the tax payments was ₹ 9137.73 (Previous period 7208.95) Lakhs a significant increase of 26% over the previous period. Funds surplus to the operational needs have been prudently invested to earn reasonable returns with a high degree of safety. A sum of ₹ 11247.82 Lakhs (Previous period ₹ 6180.07 Lakhs) stands invested in debt schemes of mutual funds at the end of the year.

Business segments and performance

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

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

Plastics and Coatings

This segment comprises of Pigments, Additives and Masterbatches.

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

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

Innovation at BU pigments include ED Pigments for coatings : Dissolver dispersible pigments for major paint systems, saving manufacturing costs; Halogen free pigments for plastics: Guaranteed limits of halogen in pigments for electronic industry applications and Colorants for color filters for printing: Higher brightness and contrast for LCD and W-OLED displays.

This business contributes 58.2% to the total sales in the Plastics and Coatings segment and the ratio of the domestic to export sales is 63:37. During the year, the pigment business has recorded sales of ₹ 5,57.3 crores, marking a growth of 7.7%, on a like to like comparable period basis of 12 months.

Additives are performance chemicals, which are used to enhance the efficiency, safety, protection, durability and appearance of products such as plastics, coatings and printing ink. Clariant is a leading provider of non-halogenated (environmentally safe) flame retardants, waxes and polymer additives and serves customers across a wide range of applications and sectors including electronic, construction and automotive, textiles, printing and packaging. The additives business of the Company is evolving by outsourcing high technology products from Clariant affiliates to meet the demand of the domestic markets.

During the year, the additives business contributed ₹ 18.9 crores to sales. This translates into a growth of 30.1% over the previous 12 months period, on a like to like comparable period basis. With our rich product portfolio and a growing demand for additives in the domestic market, the Company foresees wide scope for growth in this business.

Masterbatches is a concentrated mixture of pigments and/or additives dispersed in a polymer medium. Masterbatch is produced by encapsulating a minimum of two or more ingredients in a polymer medium, using equipment called 'extruder'. The strands that come out of an extruder are then cooled and cut into granules.

Based on our global knowhow and with four manufacturing facilities in India, we have established ourselves as a reliable partner and solution provider for the masterbatches. We are catering to industry segments such as fiber, automotive, consumer durables, packaging, pharma and health care. Our innovation team is collaborating with strategic customers to provide solution to meet the challenges of the future.

Recently our Vashere (Bhiwandi, Thane) site has been awarded with Green Building status by IGBS that clearly compliments our global commitment to sustainability. Our technical team is continuously working to bring the solutions which are based on green chemistry or to support recyclability of plastics. We have also developed Fire Retardant masterbatches to provide solutions across different industry segments.

The masterbatches business contributed 39.8% to sales in the Pigments and Colors segment. It recorded sales of ₹ 381.4 crore during the year, posting a 7.1% increase over previous year 12 month period ended March 2016, on a like to like comparable period basis.

Specialty Chemicals

The Specialty chemicals segment includes performance chemicals for personal care and industrial applications, oil and mining services and 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 ₹ 62.2 crores and is included in this segment.

In view of the divestment of the ICS business (previous period), the performance of this segment is not comparable with the previous period.

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. In order 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, 2017, the internal financial controls were adequate and operating effectively.

Human Resources

The Company acknowledges that its committed and talented workforce is the key factor driving sustainable performance and growth. As one of the most critical assets of the Company, its people are responsible for its competitive advantage. In line with its business imperatives, emphasis continues to be on recruiting and retaining the most relevant talent. These resources are then nurtured, developed, motivated and empowered so that their performance is optimized.

The Company continuously conducts various growth and development enhancing initiatives for entry level and mid-level managers. It also follows a reward and recognition philosophy and its policies have always been instrumental in retaining and motivating employees. It also constantly endeavors to ensure that compensations and rewards are offered for exceptional efforts made and benefits are flexible and market aligned. Industrial relations remained cordial at all plants during the year. The total number of employees on the rolls of the Company, as on March 31, 2017 was 817 as against 843 on March 31, 2016.

Environment, Corporate Sustainability and Social Responsibility

Clariant in India commits itself to ethical and sustainable operation and development in all business activities. We strive for a business culture of continuous improvement as well as for sustainable competitiveness and top performance in consideration of Clariant's ethical standards. Accordingly, we are committed to many Clariant International's sustainability initiatives, monitor and communicate its progress on a regular basis.

Clariant is committed to the Responsible Care® Global Charter with the signing of the Responsible Care® declaration by the global CEO of Clariant, Dr. Hariolf Kottmann. In his words, "For us, sustainability means to bring in balanced environmental, social and economic performance. Sustainability enhances innovative ways to do our business. This is a necessary prerequisite for value creation." Our commitment to Responsible Care is an important step towards this direction.

Sustainability is a strategic pillar for Clariant's Business Strategy. It is an integral part of the way we work and this helps us to position ourselves in the market; build a competitive advantage through differentiation; support profitable growth; create added value for stakeholders; build a brand image and reputation and anticipate and mitigate risk. We have initiated "Sustainability@Clariant" for this purpose and it comprises all our sustainability activities. As a strong driver of our profitable growth strategy, "Sustainability@Clariant" is becoming more

and more an integral part of the way we work. Many of our newly developed products coming from our innovation pipeline are a result of our focus towards sustainability, which stands out among the competitive portfolio in the marketplace.

Clariant takes initiatives to reduce environment, health and safety risks during production, storage, distribution and also the disposal of waste. These include efficient use of energy and resources and continuous improvement of our processes to minimize the impact of our activities on the environment.

Together for Sustainability (TfS) summit

The 2016 edition of the Together for Sustainability (TfS) summit was held in Mumbai on September 19-20, with the objective of building awareness around the importance of creating a sustainable supply chain in the chemical industry. This event saw participation from over 500 delegates representing a cross-section of the entire industry. The event featured presentations from key executives of participating companies as well as industry bodies like Confederation of Indian Industry (CII), and the Indian Chemical Council (ICC). Clariant as a founding member, wholeheartedly supports this initiative and will continue to drive audits and assessments with our suppliers, supporting them towards higher sustainable performance.

World environment day

On June 5, 2016, all our sites across India conducted several initiatives on the occasion of World Environment Day. Along with tree plantation, Roha site colleagues were oriented towards new initiatives such as 'Zero Garbage Mission' and organizing an interesting session about the biodiversity of birds in the vicinity of Roha. The team at Cuddalore site planted more than 100 saplings of different varieties inside the campus and also at the Cuddalore–Chidambaram Highway, near our site. At Nandesari site, the colleagues celebrated with the theme 'Go Wild for Life'. The team at Vashere and Rania sites planted saplings in and around the site and also discussed about the effect of climate change on the environment.

Clariant listing in Dow Jones Sustainability Index (DJSI):

Clariant has been successfully listed for the fourth consecutive year this year in the DJSI and is ranked in the top three percent among the companies in the chemical sector.

The company also places significant importance on reducing environment impact and carbon footprint and has set itself ambitious environment goals regarding quality and quantity to be reached by 2025. In terms of its sustainability strategy, Clariant undertakes to comply with global standards such as Responsible Care Global Charter, Global Product Strategy and the 10 principles of the UN Global Compact.

Corporate Social Responsibility continues to be an integral part of our corporate philosophy. Following Clariant International's initiatives of having Corporate Citizenship Activities (CCA), the Social Charter by the Government of India and Company's CSR Policy, framed under Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company continues to focus on its contribution in the areas of health care and community support, education and environment protection and its efforts to have a positive impact on the communities around its sites in India.

Outlook, Opportunities and Challenges

Outlook & Opportunities

- The Indian specialty chemicals market is growing at almost twice the global average. 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 a vast untapped potential. Being an established supplier of specialty chemicals to leading players from various industries, we are well positioned to take advantage of this growth.

- The Governments' 'Make in India' initiative will facilitate the industry with common infrastructure and a consequent rapid flow of FDI into the sector which will accelerate growth.

- As an environmentally conscious company, we stand to benefit from stricter environment norms.

- The Indian specialty chemicals industry continues to enjoy advantages in terms of labour costs.

- The Company enjoys additional advantages 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 chemical industry in India is has been encumbered with added taxations on its production capacity as well as its consumption demands. With the introduction of the Goods and Services Tax (GST), double taxation will be pre-empted as all state and central taxes will be rationalized and made consistent across the country. Consequently, future production facilities will be based more on logistical considerations and supply to consuming industries will be market driven.

Challenges

- Fragmentation and lack of scale- Only a few Indian companies have the ability to compete with global giants

on product development and innovation. CCIL is in an advantageous situation as it is one of the larger specialty chemical companies in India. It also benefits from research inputs from its parent company, enabling it to achieve more robust, sustainable growth.

- Commoditization – Only niche products enable companies to protect their margins. Focusing more on this segment would be of greater benefit.
- Regulations – The cost of compliance could make operations increasingly economically unviable for small players. Ability to scale up, offering differentiated products through innovations, implementing an effective sales and marketing strategy and maintaining high levels of regulatory standards will clearly separate winners from the crowds in this space.

Risks and its Mitigation

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

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

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

The Company continues its focus on compliance in all areas of its business operations by rationalizing and strengthening controls. This is also an important component of Clariant's code of conduct. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Clariant aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior. As part of continuing efforts to ensure that we maintain such exemplary standards and to provide employees with a good understanding of the demands of anti-bribery and corruption laws, Clariant has launched intranet-based training modules on the topic of Preventing Bribery and Corruption.

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

Mr. Kewal Handa	**Dr. Deepak Parikh**
Chairman	Vice-Chairman & Managing Director
DIN (00056826)	DIN (06504537)

Navi Mumbai, May 23, 2017

REPORT ON CORPORATE GOVERNANCE

Principles of Corporate Governance

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. The Corporate Governance policy in the Company encompasses the simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and aims at achieving complete adherence to the applicable statutes while at the same time ensuring commitment to values and highest standards in every facet of its operations. In defining the management structure, organisation and processes of the Clariant group, the corporate governance principles aim to provide shareholder value and transparency to promote sustainable long-term success. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

1. Group Structure

Clariant's business operations are conducted through its group companies / affiliates. Clariant AG, ultimate holding Company organised under Swiss law, directly or indirectly owns group companies / affiliates worldwide. Clariant Chemicals (India) Ltd. is affiliate of Clariant, a global leader in the field of specialty chemicals, headquartered in Muttenz near Basel. The Group conducts its business through seven business units namely Additives, Catalysts, Functional Materials, Industrial & Consumer Specialties, Masterbatches, Oil & Mining Services and Pigments.

2. Board of Directors

2.1. Composition and Changes:

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

The Company has 8 Directors out of which 3 are Independent Directors, 3 Non-Executive Director and 2 Directors in whole time employment, one being the Vice-Chairman and Managing Director. The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction.

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

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

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

The Board does not have any Nominee Director representing any institution.

The composition and category of the Board of Directors for the year ended March 31, 2017, the number of other Directorships / Committee memberships held by them and also their attendance at the Board meetings of the Company are as under:

		Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies#		
Name of the Directors	Category	Number of Board Meetings during the tenure of the Directors		Last AGM held on August 12, 2016	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Kewal Handa DIN 00056826 Chairman	Non-Executive Independent	5	5	Attended	2	1	3

Name of the Directors	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies#		
		Number of Board Meetings during the tenure of the Directors		Last AGM held on August 12, 2016	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Dr. Deepak Parikh Vice-Chairman & Managing Director DIN 06504537	Executive	5	5	Attended	2	2	None
Mr. Sunirmal Talukdar DIN 00920608	Non-Executive Independent	5	5	Attended	4	2	2
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	5	2	Attended	4	6	1
Mr. Alfred Muench DIN 03092351	Non-Executive	5	3	Absent	2	1	None
Mr. Karl Holger Dierssen DIN 06739356	Non-Executive	5	2	Attended	None	None	None
Mr. Mario Brocchi DIN 07091950	Non-Executive	5	4	Attended	None	1	None

* Directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies of the Companies Act, 2013 is not included.

It excludes committees other than Audit Committee & Stakeholders' Relationship Committee, Companies other than Public Limited Company and includes Committee membership/chairmanship held in Clariant Chemicals (India) Limited.

The Board of Directors at their meeting held on January 28, 2017, appointed Mr. Adnan Ahmad (DIN 00046742) as Executive Director, effective from April 3, 2017 and Vice-Chairman and Managing Director effective from June 1, 2017. Dr. Deepak Parikh will step down as the Vice-Chairman and Managing Director effective from closing working hours of May 31, 2017 consequent to his appointment as the Head of Region, North America.

2.2 Profile of the Directors proposed to be appointed / re-appointed:

The brief profile and information pertaining to directorship held in other companies, shareholding, etc. of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting of the Company forms part of the Notice of Annual General Meeting.

2.3 Board Meetings and Agenda:

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

In accordance with the law and the Articles of Association of the Company, the Board of Directors is the ultimate decision making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review, among other things, quarterly performance of the Company and financial results. During the year under review, the Board of Directors held 5 meetings on May 20, 2016, August 12, 2016, December 1, 2016, January 28, 2017 and February 10, 2017.

The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and / or the

presentations are made in respect thereof. The information as specified in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

2.4 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

2.5 Independent Directors' Meeting:

In accordance with the provisions of Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on February 10, 2017 and attended by all the Independent Directors. The Independent Directors, inter alia, reviewed the following;

a) the performance of Non-Independent Directors and the Board as a whole;

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

2.6 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 Chairperson.

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

3. Board Committees

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

3.1 Audit Committee

3.1.1 Composition and Meetings:

The composition of the Audit Committee is in conformity with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the year under review, four meetings were held on May 20, 2016, August 12, 2016, December 1, 2016 and February 10, 2017. The detail of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairman	4	4
Mr. Kewal Handa	Member	4	4
Dr. (Mrs.) Indu Shahani	Member	4	2
Mr. Mario Brocchi	Member	4	4

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. Sunirmal Talukdar, Chairman of the Committee was present at the Annual General Meeting held on August 12, 2016.

The Vice-Chairman & Managing Director, Statutory Auditors, Internal Auditors and Cost Auditors are invitees to the meetings of the Audit Committee. Ms. Amee Joshi acts as Secretary to the Committee and has attended all the meetings.

3.1.2 Terms of reference:

The Terms of reference for the Audit Committee is in line with the requirements of Section 177 of the Companies Act,

2013 and the Rules framed thereunder and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The terms of reference is briefly described as under:

a) Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law and to ensure that the financial statements are correct, sufficient and credible.

b) Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval.

c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.

d) Recommending to the Board, the appointment, re–appointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and Cost Auditor and the fixation of audit fees and terms of appointment.

e) Review and monitor the Auditor's independence and performance and effectiveness of audit process.

f) Approval and subsequent modification of transactions of the Company with related parties.

g) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

h) Scrutiny of inter-corporate loans and investments.

i) Valuation of undertakings or assets of the Company, wherever it is necessary.

j) Evaluation of Internal Financial Controls and risk management systems.

k) Review the appointment, removal and terms of remuneration of Internal Auditors.

l) Review with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.

m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

n) Review of reports of Statutory and Internal Auditors and replies of the management thereon.

o) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

p) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

q) Discussion with Internal Auditors of any significant findings and follow up there on.

r) Review, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   i. 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.

   ii. 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.

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

During the year under review, three meetings were held on May 20, 2016, December 1, 2016 and January 28, 2017. The details of composition and the number of meetings attended by the members is given below:

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

Ms. Amee Joshi acts as Secretary to the Committee and has attended all the meetings.

3.2.2 Terms of reference:

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

(1) 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;

(2) Formulation of criteria for evaluation of performance of Independent Directors, other Directors and Key Managerial Personnel;

(3) Devising a policy on diversity of Board of Directors;

(4) 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;

(5) 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;

(6) 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;

(7) 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;

(8) 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.

A brief outline of the Nomination & Remuneration Policy is mentioned in the Directors' Report forming part of the Annual Report.

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 approval granted by the members at the Annual General Meeting held on April 26, 2013.

The details of remuneration paid / payable to the Directors for the year ended March 31, 2017 is given as under:

(₹ in Lakhs)

Name of Directors	Sitting fees*	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Com-mission	Total	No. of shares held as on March 31, 2017
Mr. Kewal Handa	9.30	-	8.00	17.30	NIL
Mr. Sunirmal Talukdar	8.75	-	6.00	14.75	NIL
Dr. (Mrs.) Indu Shahani	5.50	-	6.00	11.50	NIL
Dr. Deepak Parikh#	-	698.58	-	698.58	NIL

* Exclusive of service tax.

The tenure of the office of Dr. Deepak Parikh was for a period of 4 years effective from February 1, 2013 which was further renewed for a period of 3 years effective from February 1, 2017 vide special resolution passed by the members through postal ballot on January 25, 2017.

Further, consequent to his appointment as the Head of Region, North America, Dr. Deepak Parikh, will step down as Vice-Chairman & Managing Director effective from closing working hours of May 31, 2017. The Board of Directors, at their meeting held on January 28, 2017 appointed Mr. Adnan Ahmad as Executive Director effective from April 3, 2017 and later as Vice-Chairman & Managing Director of the Company from June 1, 2017.

As informed to the Company, none of the Non-executive Directors have any other pecuniary interest in the Company.

The Company has not framed any scheme / plan to grant stock option to its employees. However, few of the employees under Senior Management level including Vice-Chairman and Managing Director have right to participate in Clariant Stock Option Plan introduced by the Ultimate Holding Company, Clariant AG.

3.3. Stakeholders' Relationship Committee

3.3.1 Composition and Meetings:

The composition of the Stakeholders' Relationship Committee is in conformity with Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the year under review, two meetings were held on December 1, 2016 and February 10, 2017. 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	2	2
Dr. Deepak Parikh	Member	2	2

Effective from June 1, 2017, the Stakeholders' Relationship Committee will constitute of the following members:

Name	Position Held
Dr. (Mrs.) Indu Shahani	Chairperson
Mr. Sunirmal Talukdar	Member
Mr. Adnan Ahmad	Member

Ms. Amee Joshi acts as Secretary to the Committee and has attended all the meetings.

3.3.2 Terms of reference:

The committee, inter alia, reviews all matters connected with transfer of shares, redressal of shareholders' complaints, oversees the performance of the share transfer agents and recommends measures for overall improvement in the quality of investor services.

Details of Investors' Complaints

The Company and Link Intime India Private Limited (the Share Transfer Agent) attends 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. Amee 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 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 and are also published in the newspaper along with financial results. There were no investor complaint pending as on March 31, 2017. Detail of Investors' Complaint received and resolved during the year ended March 31, 2017 is given below;

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Share Certificates	1	1
Non-receipt of Annual Reports	6	6
Non-receipt of Declared Dividend	8	8
Others	1	1
Total	**16**	**16**

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, two meetings were held on May 20, 2016 and December 1, 2016. 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	2	1*
Dr. Deepak Parikh	Member	2	2
Mr. Karl Holger Dierssen	Member	2	-

*Mr. Kewal Handa was co-opted as Chairman of the CSR meeting held on May 20, 2016.

Effective from June 1, 2017 the Corporate Social Responsibility Committee constitutes of the following members:

Name	Position Held
Dr. (Mrs.) Indu Shahani	Chairperson
Mr. Kewal Handa	Member
Mr. Adnan Ahmad	Member
Mr. Karl Holger Dierssen	Member

Ms. Amee Joshi acts as Secretary to the Committee and has attended all the meetings.

3.4.2 Terms of reference:

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

a) 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;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

4. Subsidiary Company

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

5. General Body Meetings

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

AGM	Date and Time	Venue	Special Resolutions Passed
57th	May 6, 2014 4.00 p.m.	Hotel Satkar Residency, Next to Cadbury, Pokhran Road No. 1, Thane (West) - 400 606.	i) Increase in remuneration of Dr. Deepak Parikh, Vice-Chairman & Managing Director; ii) Appointment and remuneration of Mr. B. L. Gaggar, Executive Director Finance; iii) Shifting of Registered office of the Company from Kolshet, Thane to Airoli, Navi Mumbai.
58th	April 24, 2015 10.30 a.m.	Airoli HQ - Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai 400 708.	i) Payment of remuneration of Dr. Deepak Parikh, Vice-Chairman & Managing Director; ii) Payment of remuneration of Mr. B. L. Gaggar, Executive Director-Finance and Company Secretary; iii) Approval of Material Related Party Transactions for Financial year 2014 & 2015.
59th	August 12, 2016 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane–Belapur Road, Airoli, Navi Mumbai 400 708.	i) Shifting of Registers and Index of Members.

During the year under review, one Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, as per the details given below:

Passing of Special Resolution for Re-appointment of Dr. Deepak Parikh as the Vice Chairman and Managing Director of the Company.

The Board of Directors had appointed V. V. Chakradeo & Co, Company Secretaries as Scrutinizer for conducting the Postal Ballot Process. The result of Postal Ballot process as per the Scrutinizer's Report is given below:

Promoter/ Public	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
Public - Institutional holders	1393309	477302	34.26	477302	0	100.00	0.00
Public-Others	9916439	4294	0.04	2092	2202	48.72	51.28
Total	**23081798**	**12253646**	**53.09**	**12251444**	**2202**	**99.98**	**0.02**

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

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 11, 2017.

6. Disclosures

6.1 Related party transactions:

Related party transactions have been disclosed under Note 44 of Significant Accounting Policies & Notes forming part of the financial statements of Audited Accounts in accordance with "IND AS 24" and pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

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

None of the transactions with related parties were in conflict with the interest of the Company. Company's major related party transactions, during the year under review, are with the affiliates of Clariant operating worldwide. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

6.2 Code of Conduct:

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

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

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

The Board has laid Down Code of Conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., **www.clariant.com**. All the Board Members and Senior Management personnel have affirmed compliances with the Code for the year ended March 31, 2017.

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 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, 2017 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:

a) Management Discussion & Analysis report forms part of Directors' Report.

b) 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 behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimized employees and spreads the way to curb those practices being followed in the office premises. None of the personnel of the Company has been denied access to the Audit Committee.

6.9 Commodity Risk and Hedging Activities:

Specialty Chemical industry is exposed to high risk of volatile prices, stringent government regulations and availability of raw materials / traded goods. Clariant mitigates / hedges the said risks by its sustainable strategy consisting of structured approach to reduce cost and controls price fluctuation by quarterly price contracts, volume bundling and deployment of new vendors.

7. Means of Communication

All important information relating to the Company, its performance, shareholding pattern, quarterly results, press releases and other information as per the SEBI Regulations are regularly posted on Company's website and also forwarded to the Stock Exchanges. The quarterly, half-yearly and annual financial results of the Company are published in newspapers like Business Standard and Sakaal, circulating in the local area. These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited. During the year under review, the Company has made presentations to the Institutional Investors on December 8, 2016 & December 14, 2016 respectively and the presentations has been uploaded on the website of the Company i.e., **www.clariant.com**.

8. General shareholder information

8.1 Annual General Meeting:

Day, Date & Time : Friday, August 11, 2017 at 04.00 p.m.

Venue : Registered Office

8.2 Financial Calendar:

• Financial Year April 1 to March 31.

Proposed Calendar for FY 2017-18

1st Quarter Results	August 11, 2017
2nd Quarter Results	November 13, 2017
3rd Quarter Results	February 13, 2018
Annual Results	On or before May 30, 2018
Annual General Meeting	In the month of August 2018

8.3 Dates of Book Closure:

Book Closure dates	August 5, 2017 to August 11, 2017 (Both days inclusive)

8.4 Listing of Shares:

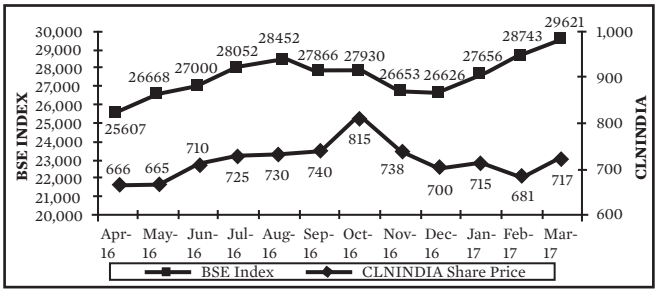
Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID 'CLNINDIA' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2018 to both the Stock Exchanges.

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)		
2016-17	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April	685.00	595.05	69063	680.00	590.45	228,068
May	759.90	641.00	83526	759.95	645.00	319,110
June	717.95	642.00	65169	719.05	642.40	230,544
July	741.60	693.00	38411	742.00	691.40	166,622
August	771.70	680.20	126461	770.00	682.35	375,532
September	794.00	721.00	82866	787.90	720.10	202,332
October	838.00	741.10	80113	840.00	739.00	253,681
November	811.95	690.00	63638	815.50	688.00	214,519
December	764.90	635.00	3312420	770.00	678.80	712,093
January	748.75	698.05	89871	750.30	696.10	414,674
February	751.00	678.10	100017	752.70	677.55	363,789
March	720.00	639.00	123097	727.20	639.00	487,936

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



8.8 Address for correspondence:

A) Share Transfer Agents (w.e.f. April 11, 2016):
Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra
Tel: 022 - 49186000
Email id.: **rnt.helpdesk@linkintime.co.in**
Contact Person: Miss Sujata Poojary
E-mail ID for Investor Services:
investor.relations_India@clariant.com

B) Company's Registered Office:
Reliable Tech Park, Gut No. 31, Village Elthan,
Off Thane-Belapur Road, Airoli,
Navi Mumbai - 400708, 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 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 rematerialisation 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 Registrar & Transfer 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. Amee Joshi, Company Secretary, at the Registered Office of the Company.

8.9 Shareholding pattern as on March 31, 2017:

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
A	**Promoters' Holding**		
	Foreign Promoters		
(a)	Ebito Chemiebeteiligungen AG	4109426	17.8038
(b)	Clariant International Ltd.	5329186	23.0883
(c)	Clariant Plastics & Coatings Ltd. (Formerly known as Clariant Participations Ltd.)	2333438	10.1094
	Sub-Total	**11772050**	**51.0015**
B	**Institutional Investors**		
(a)	Mutual Funds	2706328	11.7249
(b)	Financial Institutions/ Banks	295032	1.2782
(c)	Foreign Portfolio Investors	868154	3.7612
(d)	Foreign Institutional Investors	1257	0.0054
	Sub-Total	**3870771**	**16.7697**

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
C	**Others**		
(a)	Domestic Companies	847802	3.6730
(b)	Non Resident Indians/ Trusts	242498	1.0506
(c)	Indian Public	6348677	27.5052
	Sub-Total	**7438977**	**32.2288**
D	**Total Public Shareholding (B+C)**	**11309748**	**48.9985**
	TOTAL (A+D)	**23081798**	**100.0000**

22,391,923 equity shares of the Company are held in dematerialized form constituting 97.01% of the paid up capital as on March 31, 2017. The total number of shareholders as on March 31, 2017 is 39491.

8.10 Details of Members holding > 1 % of the paid up capital of the Company:

		As at March 31, 2017		As at March 31, 2016	
Sr. No.	Name	No. of shares	%	No. of shares	%
1.	Clariant International Limited	5329186	23.0883	5329186	23.0883
2.	Ebito Chemie-beteiligungen AG	4109426	17.8038	7164426	31.0390
3.	Clariant Plastics & Coatings Ltd. (Formerly known as Clariant Participations Ltd.)	2333438	10.1094	2333438	10.1094
4.	SBI Magnum Midcap Fund	946500	4.1006	NIL	0
5.	DSP Blackrock Micro Cap Fund	865400	3.7500	NIL	0

8.11 Distribution of shareholdings as at March 31, 2017:

No. of equity shares held	Shareholders		Equity Shares held	
	Numbers	%	No. of shares	%
1-500	36911	93.4669	3129339	13.5576
501-1000	1528	3.8692	1124488	4.87175
1001-2000	616	1.5598	873764	3.78551
2001-3000	168	0.4254	426767	1.84893
3001-4000	85	0.2152	296402	1.28414
4001-5000	54	0.1367	245551	1.06383
5001-10000	75	0.1899	516118	2.23604
10001 & above	54	0.1367	16469369	71.3522
Total	**39491**	**100.0000**	**23081798**	**100.0000**

8.12 Names of Depositories for dematerialisation 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 dematerialised 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:

a) 113 / 114, MIDC, A.V.P.O. Dhatav, Roha, Dist. Raigad 402 116 (Maharashtra)

b) Kudikadu, SIPCOT Post, Cuddalore District, Cuddalore 607 005 (Tamil Nadu)

c) Plot No. WA-6, Renaissance Industrial Park, Village Vashere, Post Padgha, Taluka Bhiwandi, Dist. Thane 421 101 (Maharashtra)

d) Rania Works, Survey No. 344/1/2/3, Village Rania, PO Sarkarda, Dist-Savli, Vadodara 391780 (Gujarat)

e) Nandesari Works, A1-47/2 & 3, GIDC Estate, Nandesari, Vadodara 391340 (Gujarat)

f) Kalol Works, Shed No. 18-22, GIDC Estate, Kalol, Panchmahal-381330 (Gujarat)

g) Plot / Phase No. 378/2/2, Durgapura Colony Road, Birlagram, Nagda 456331, Dist. Ujjain (Madhya Pradesh)

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 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.

Members are hereby informed that the 7 years period pertaining to Final Dividend for the Financial year 2009-10 and Interim Dividend for the Financial year 2010 will expire on May 29, 2017 and August 31, 2017 respectively and thereafter the amount standing to the credit in the said accounts will be transferred to IEPF. Members are therefore requested to encash the dividend at the earliest.

Due Dates of transfer of unclaimed dividend to the IEPF are as follow:

Financial Year/ period	Date of Declaration	Date of completion of seven years
2009 (Final)	23.04.2010	29.05.2017
2010 (Interim)	26.07.2010	31.08.2017
2010 (Final)	26.04.2011	01.06.2018
2011 (Interim)	28.07.2011	02.09.2018
2011 (Final)	26.04.2012	02.06.2019
2012 (Interim)	27.07.2012	02.09.2019
2012 (Final)	26.04.2013	01.06.2020
2013 (Interim)	30.07.2013	04.09.2020
2013 (Final)	06.05.2014	11.06.2021
2014 (Interim)	18.07.2014	23.08.2021
2015-16 (Interim)	12.01.2015	17.02.2022
2015-16(Final)	12.08.2016	17.09.2023

Members are further informed that in terms of the provisions of Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, in addition to the unpaid or unclaimed Dividend required to be transferred by the Company to IEPF, equity shares relating to such unpaid / unclaimed dividend and lying unpaid / unclaimed for seven consecutive years or more are also required to be transferred to the Investor Education and Protection Fund Suspense Account ("IEPF Suspense Account").

In accordance with the requirements as set out in the IEPF Rules, the Company has communicated individually to the concerned shareholders whose shares in respect of which Dividend is unpaid / unclaimed for seven consecutive years or more. The Company has also uploaded the details of such Shareholders on its website **www.clariant.com**.

The concerned shareholder can claim the unpaid / unclaimed dividend & shares by making an application to Link Intime India Pvt. Ltd., ("Link Intime"), the Registrar and Transfer Agents of the Company.

Please note that no claim shall lie against the Company in respect of the unclaimed dividend amount and equity shares transferred to the 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 your claim.

9.2 Details 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	1291 Shareholders 158735 Shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	14 Shareholders
Number of shareholders to whom unclaimed shares were transferred during the year	2130 shares
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	1277 Shareholders - 156605 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 & Transfer Agents. In case of shares held in demat form, the bank details provided by the Depository Participant (DP) with whom the demat account is maintained will be applicable. All previous instructions given by you to the Company in respect of ECS and bank details will stand superseded by the ECS details recorded with your DP.

9.4 Nomination Facility:

A member can nominate a person who shall have rights to shares and/or amount payable in respect of shares

registered in his name in the event of his death. The nomination form can be obtained from the Company's Share Transfer Agent or downloaded from the website of the Company at **www.clariant.com**.

9.5 Consolidation of folios and avoidance of multiple folios:

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

9.6 Communication:

In order to save the environment and in order to initiate e- communication, the Company requests all shareholders to register their email address with the depository, in case of shares held in demat form or with the share transfer agents for shares held in physical form. This will facilitate the Company and share transfer agents to send the communication through electronic mail which is faster and cost effective.

9.7 Non Mandatory requirements:

The status of compliance with non-mandatory recommendations under Part E, Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided below:

9.7.1 The Board: There is no separate Chairperson's office maintained by Non-Executive Chairman of the Company.

9.7.2 Shareholders' Rights: As the quarterly and half yearly financial performance 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, 2017 does not contain any audit qualification.

9.7.4 Separate posts of Chairman and CEO: The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.

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

10. CEO / CFO Certification

The Vice-Chairman & Managing Director and the Chief Financial Officer have provided annual certificate on financial reporting and internal controls to the Board pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate was placed and taken on record at the Board Meeting held on May 23, 2017. 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

Mr. Kewal Handa
Chairman
(DIN 0056836)

Dr. Deepak Parikh
Vice-Chairman & Managing Director
(DIN 06504537)

Navi Mumbai, May 23, 2017

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Clariant Chemicals (India) Limited

We have examined the compliance of conditions of Corporate Governance by Clariant Chemicals (India) Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016
Arvind Daga
Partner
Membership No. 108290

Place: Mumbai
Date: May 23, 2017

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.

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.

    (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

Arvind Daga
Partner
Membership Number 108290

Place: Navi Mumbai
Date: May 23, 2017

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

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.

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

Arvind Daga
Partner
Membership Number 108290

Place: Navi Mumbai
Date: May 23, 2017

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.

(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 (₹ 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

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
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 ₹ 8,077.52 lacs.

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

BALANCE SHEET as at March 31, 2017

	Notes	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
Assets				
Non-current assets				
(a) Property, plant and equipment	4A	**29350.14**	31343.38	29183.11
(b) Capital work-in-progress		**986.54**	497.19	1318.01
(c) Investment property	5	**1.23**	1.29	1.35
(d) Goodwill	4B	**4023.65**	4023.65	3129.54
(e) Other intangible assets	4C	**941.47**	1095.50	1188.81
(f) Financial assets				
(i) Investments	6	**-**	1167.14	1050.29
(ii) Loans	7	**967.52**	1217.97	1174.04
(g) Other non-current assets	8	**1098.05**	870.07	2298.71
(h) Non-current tax assets (Net)		**4978.07**	4978.07	3919.81
		42346.67	45194.26	43263.67
Current assets				
(a) Inventories	9	**15561.00**	14212.87	16334.70
(b) Financial assets				
(i) Investments	10	**11247.82**	6230.07	2663.37
(ii) Trade receivables	11	**17295.68**	17662.23	16367.86
(iii) Cash and cash equivalents	12	**2428.87**	2087.80	100562.18
(iv) Bank balances other than (iii) above	12	**755.26**	801.61	583.16
(v) Loans	13	**48.27**	45.83	196.19
(vi) Other financial assets	14	**119.16**	55.26	146.97
(c) Other current assets	15	**3517.65**	3886.69	4528.37
		50973.71	44982.36	141382.80
Total assets		**93320.38**	90176.62	184646.47
Equity and liabilities				
Equity				
(a) Equity share capital	16	**2308.18**	2308.18	2666.07
(b) Other equity	17	**64984.19**	64634.50	137316.93
		67292.37	66942.68	139983.00
Liabilities				
Non-current liabilities				
(a) Provisions	18	**904.30**	701.85	1104.10
(b) Deferred tax liabilities (Net)	19	**1795.63**	2098.56	1065.02
		2699.93	2800.41	2169.12
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	**-**	-	945.45
(ii) Trade payables	21			
- Dues of micro and small enterprises		**546.88**	371.03	665.15
- Dues other than micro and small enterprises		**16278.07**	14255.55	13899.11
(iii) Other financial liabilities	22	**3259.99**	2855.59	3562.53
(b) Other current liabilities	23	**1228.95**	1306.53	1297.48
(c) Provisions	24	**765.62**	861.21	693.56
(d) Current tax liabilities (Net)		**1248.57**	783.62	21431.07
		23328.08	20433.53	42494.35
Total equity and liabilities		**93320.38**	90176.62	184646.47

The accompanying notes are an integral part of these financial statements

In terms of our report attached

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

Arvind Daga
Partner

Membership No. 108290

Navi Mumbai, 23rd May, 2017

For and on behalf of the Board,

K. Handa	Chairman DIN:00056826
D. Parikh	Vice- Chairman & Managing Director DIN:06504537
S. Talukdar	Director DIN:00920608
S. Ghadge	Chief Financial Officer
A. Joshi	Company Secretary Membership No. A22502

Navi Mumbai, 23rd May, 2017

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

	Notes	Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
Continuing operations :			
Revenue from operations	25	**105971.09**	122860.92
Other income	26	**909.82**	3671.82
Total revenue		**106880.91**	126532.74
Expenses :			
Cost of materials consumed	27	**53918.65**	63273.30
Purchase of stock-in-trade		**7524.69**	9936.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	**107.78**	918.03
Excise duty		**7872.76**	8865.19
Employee benefits expense	29	**9060.09**	10622.51
Finance costs	30	**46.28**	72.52
Depreciation and amortisation expense	31	**3947.99**	5005.46
Other expenses	32	**20773.90**	22812.89
Total expenses		**103252.14**	121506.13
Profit before tax		**3628.77**	5026.61
Tax expense :			
Current tax	34	**1444.50**	194.09
Deferred tax	19	**(263.77)**	1084.12
Tax adjustments of prior years (net)		**-**	(342.69)
		1180.73	935.52
Profit from continuing operations		**2448.04**	4091.09
Profit from discontinued operations before tax (Including exceptional items, credit)	46, 33	**-**	2341.37
Tax expenses of discontinued operations		**-**	495.52
Profit from discontinued operations after tax		**-**	1845.85
Profit for the period		**2448.04**	5936.94
Other comprehensive income (net of tax) (Items that will not be reclassified to profit or loss)			
Remeasurement of the defined benefit plans		**(113.14)**	99.80
Equity Instruments through other comprehensive income		**687.05**	166.85
Income tax relating to items that will not be reclassified to profit or loss		**39.16**	(34.54)
		613.07	232.11
Total comprehensive income for the period		**3061.11**	6169.05
Basic and diluted earnings per share (of ₹ 10/-each) (in ₹)	39		
(i) Continuing operations		**10.61**	16.14
(ii) Discontinued operations		**-**	7.28
(iii) Total operations		**10.61**	23.42

The accompanying notes are an integral part of these financial statements

In terms of our report attached

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

Arvind Daga
Partner

Membership No. 108290

Navi Mumbai, 23rd May, 2017

For and on behalf of the Board,

K. Handa	Chairman DIN:00056826
D. Parikh	Vice- Chairman & Managing Director DIN:06504537
S. Talukdar	Director DIN:00920608
S. Ghadge	Chief Financial Officer
A. Joshi	Company Secretary Membership No. A22502

Navi Mumbai, 23rd May, 2017

STATEMENT OF CHANGES IN EQUITY

Equity share capital and other equity

For the year ended 31-03-17

₹ Lakhs

Particulars	Equity share capital	Reserves and surplus						OCI	Total other equity
		Capital reserve	Securities premium reserve	Capital redemption reserve	General reserve	Deemed contribution from parent	Retained earnings	Reserve for equity instruments through OCI	
Balance as at 01-04-16	2308.18	730.11	-	495.39	10492.29	56.10	52360.56	500.05	64634.50
Profit for the year	-	-	-	-	-	-	2448.04	-	2448.04
Other comprehensive income for the year	-	-	-	-	-	-	(73.98)	687.05	613.07
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2374.06**	**687.05**	**3061.11**
Final dividend paid (₹ 10 per share)	-	-	-	-	-	-	(2308.18)	-	(2308.18)
Tax on final dividend	-	-	-	-	-	-	(469.90)	-	(469.90)
Recognition of share based expenses during the year	-	-	-	-	-	66.66	-	-	66.66
Transfer to retained earnings from reserve for equity intstrument through OCI	-	-	-	-	-	-	1187.10	(1187.10)	-
Balance as at 31-03-17	**2308.18**	**730.11**	**-**	**495.39**	**10492.29**	**122.76**	**53143.64**	**-**	**64984.19**

For the 15 months period ended 31-03-16

₹ Lakhs

Particulars	Equity share capital	Reserves and surplus						OCI	Total other equity
		Capital reserve	Securities premium reserve	Capital redemption reserve	General reserve	Deemed contribution from parent	Retained earnings	Reserve for equity instruments through OCI	
Balance as at 01-01-15	2666.07	730.11	3545.65	137.50	40946.63	9.31	91614.53	333.20	137316.93
Profit for the period		-	-	-	-	-	5936.94	-	5936.94
Other comprehensive income for the period	-	-	-	-	-	-	65.26	166.85	232.11
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**6002.20**	**166.85**	**6169.05**
Transfer to capital redemption reserve	-	-	-	357.89	(357.89)	-	-	-	-
Interim dividend paid (₹ 140 per share)	-	-	-	-	-	-	(37325.04)	-	(37325.04)
Tax on interim dividend	-	-	-	-	-	-	(7463.04)	-	(7463.04)
Extinguished on buyback of equity shares *	(357.89)	-	-	-	-	-	-	-	-
Utilised for buyback of equity shares *	-	-	(3545.65)	-	(30096.45)	-	-	-	(33642.10)
Utilised for buyback expenses *	-	-	-	-	-	-	(302.75)	-	(302.75)
Depreciation adjustment on account of change in useful life of assets [Net of Deferred tax ₹ 85.12 Lakhs] (Refer note 4(iv))	-	-	-	-	-	-	(165.34)	-	(165.34)
Recognition of share based expenses during the period	-	-	-	-	-	46.79	-	-	46.79
Balance as at 31-03-16	**2308.18**	**730.11**	**-**	**495.39**	**10492.29**	**56.10**	**52360.56**	**500.05**	**64634.50**

* Refer note 16 (d)

The accompanying notes are an integral part of these financial statements

In terms of our report attached

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

Arvind Daga
Partner
Membership No. 108290

Navi Mumbai, 23rd May, 2017

For and on behalf of the Board,

K. Handa	Chairman DIN:00056826
D. Parikh	Vice- Chairman & Managing Director DIN:06504537
S. Talukdar	Director DIN:00920608
S. Ghadge	Chief Financial Officer
A. Joshi	Company Secretary Membership No. A22502

Navi Mumbai, 23rd May, 2017

CASH FLOW STATEMENT for the year ended March 31, 2017

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
A.	**Cash flow from operating activities :**		
	Profit before tax from		
	Continuing operations	**3628.77**	5026.61
	Discontinued operations	**-**	2341.37
	Profit before tax	**3628.77**	7367.98
	Adjustments for :		
	Depreciation and amortisation expense	**3947.99**	5035.23
	Unrealised foreign exchange (gain) / loss (Net)	**(43.00)**	80.70
	Interest income	**(66.47)**	(588.68)
	Dividend income from Investments	**(414.69)**	(1516.66)
	Net Gain on disposal of property, plant and equipment	**(20.03)**	(1045.52)
	Profit on sale of business	**-**	(2656.23)
	Net (Gain) / Loss on financial assets mandatorily measured at FVTPL	**107.09**	(154.86)
	Employee share based payment expenses	**66.66**	46.79
	Allowances for credit losses	**109.74**	55.82
	Finance costs	**46.28**	72.52
	Fixed assets written-off	**33.00**	225.63
	Operating profit before working capital changes	**7395.34**	6922.72
	Adjustments for (Increase)/Decrease in working capital :		
	Trade receivables	**169.73**	(2798.22)
	Other current assets	**368.26**	639.61
	Other non current assets	**(184.40)**	(130.55)
	Other financial assets	**184.11**	188.33
	Inventories	**(1348.13)**	1155.06
	Trade payables	**2329.23**	1234.21
	Non current provisions	**89.31**	(259.13)
	Current provisions	**(95.59)**	167.65
	Other current liabilities	**(214.46)**	1033.07
	Other financial liabilities	**444.33**	(943.80)
	Cash generated from operations	**9137.73**	7208.95
	Direct taxes paid- (Net of refunds)	**(979.55)**	(22052.63)
	Net cash generated from / (used in) operating activities	**8158.18**	(14843.68)

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
B.	**Cash flow from investing activities :**		
	Purchase of property, plant and equipment	**(2234.90)**	(6295.62)
	Sale of property, plant and equipment	**25.22**	1157.46
	Sale of non current investments	**1854.19**	-
	Purchase of current investments	**(110160.27)**	(261591.84)
	Sale of current investments	**105035.43**	258230.00
	Proceeds from sale of business	**-**	4200.00
	Acquisition of business	**-**	(1345.66)
	Interest received	**66.47**	588.68
	Dividend received	**414.69**	1516.66
	Net cash used in investing activities	**(4999.17)**	(3540.32)
C.	**Cash flow from financing activities :**		
	Finance costs	**(39.86)**	(54.11)
	Dividend / dividend tax paid	**(2824.43)**	(44569.63)
	Payment made to shareholders on buyback of shares	**-**	(33999.99)
	Payment made towards expenses for buyback of shares	**-**	(302.75)
	(Repayment) / Proceeds from short term borrowing	**-**	(945.45)
	Net Cash used in financing activities	**(2864.29)**	(79871.93)
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**294.72**	(98255.93)
	CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	**2889.41**	101145.34
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (Refer note 12)	**3184.13**	2889.41

Notes :

(a) The Cash Flow Statement reflects the combine cash flows pertaining to continuing and discontinued operations (Refer note 46)

(b) The working capital changes for the period have been determined after adjustment of the assets and liabilities transferred on sale and acquisition of business.

(c) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

In terms of our report attached

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

Arvind Daga
Partner

Membership No. 108290

Navi Mumbai, 23rd May, 2017

For and on behalf of the Board,

K. Handa	Chairman DIN:00056826
D. Parikh	Vice- Chairman & Managing Director DIN:06504537
S. Talukdar	Director DIN:00920608
S. Ghadge	Chief Financial Officer
A. Joshi	Company Secretary Membership No. A22502

Navi Mumbai, 23rd May, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for period ended March 31, 2017

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 interalia, in manufacturing and selling Specialty Chemicals. The Company has its own manufacturing sites in the State of Maharashtra, Tamil Nadu, Gujarat and Madhya Pradesh.

Note 1: Significant accounting policies

(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'.

These financial statements up to and including 15 months period ended 31 March, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

With effect from 1st April 2016, the Company changed its financial year from 'January to December' to 'April to March'. Accordingly statement of profit and loss for comparative period is prepared for 15 months from 1st January 2015 to 31st March 2016. Hence amounts in comparative statement of profit and loss and related notes are not comparable.

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;
- defined benefit plans — plan assets measured at fair value and
- share-based payments

(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 master batches.

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

During the year the Company has renamed it's Segment names from "Pigments and Colors" to "Plastics and Coatings" and "Dyes and Specialty Chemicals" to "Specialty 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 Coating (BU Additives, BU Master batches, BU Pigments)
- Speciality 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. 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) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to customers as per terms of contract. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when it is probable that future economic benefits will flow to the Company and the amount of revenue can be reliably measured.

Sale of services: In contracts involving the rendering of services, revenue is measured using the proportionate completion method and is recognised net of service tax and provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest: Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Dividend: Dividend income from investments is recognised when the right to receive dividend has been established provided that it is probable that the economic benefits will flow to the Company and income can be measured reliably.

(e) 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.

(f) Leases

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

As a lessee

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

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

under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations post transition date, regardless of whether equity instruments or other assets are acquired. Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity.

(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 bank balances

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash,cheques/drafts on hand and balances with banks of current and term deposit account. Other bank balances include balances earmarked for unclaimed dividends and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown in current liabilities in the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses.

(k) Inventories

Cost is determined on weighted average basis. 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).

(l) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(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 adebt 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 losses 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 35 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.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at January 01, 2015 measured as per the previous GAAP and use that

carrying value as the deemed cost of the property, plant and equipment.

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 is as follows:

Asset	Useful Life
Factory building	30 Years
Office building	60 Years
Roads	10 Years
Plant and equipment	10 Years
Hardware mainframes and Servers	5 Years
Computers	3 Years
Furniture and fixture	10 Years
Office equipment	5 Years
Vehicles	5 Years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are re-viewed, and adjusted if appropriate, at the end of each reporting period.

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

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

(p) Investment properties

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

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties have a useful life of 60 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at January 01, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of investment properties.

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

(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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at January 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(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 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 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 period 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 and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are 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 obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, ex-gratia gratuity, compensated absences, provident fund; and

(b) defined contribution plans such as provident fund superannuation fund, employee state insurance and other funds.

Pension and gratuity obligations

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 provident fund, 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 4B.
- Estimation for the accounting of employee benefits — Note 42

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.

Note 3: First time adoption of Ind AS – mandatory exceptions, optional exemptions

These financial statements, for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the 15 months period ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at January 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the notes.

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of January 01, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same in accordance with previous GAAP (after adjustment to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at January 1, 2015 are consistent with the estimates as at the same date in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI and
- Impairment of financial assets based on expected credit loss model.

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of January 01, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- the Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- the Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of January 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Equity investments at FVOCI

The Company has designated investment in equity shares of Asahi Songwon Colors Limited and AksharChem (India) Limited as FVOCI on the basis of facts and circumstances that existed at the transition date.

Share-based payment transaction

The Company has not applied requirement of Ind AS 102 Share based payment to equity instruments that vested before the date of transition i.e. January 01, 2015.

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

₹ Lakhs

Description	Gross block					Depreciation / Amortisation					Net block
	As at 01-04-16	Additions	Additions through business combination	Deductions	As at 31-03-17	As at 01-04-16	Deductions	For the year	Transfer to retained earnings	As at 31-03-17	As at 31-03-17
4A Property, Plant and Equipment											
Land freehold	2513.75	-	-	-	**2513.75**	-	-	-	-	**-**	**2513.75**
Land leasehold	1393.36	-	-	-	**1393.36**	22.46	-	18.07	-	**40.53**	**1352.83**
Buildings	12057.14	246.09	-	7.12	**12296.11**	954.97	3.77	594.35	-	**1545.55**	**10750.56**
Plant and equipment	16969.27	1275.48	-	324.83	**17919.92**	3,196.17	289.58	2454.96	-	**5361.55**	**12558.37**
Furniture and fixtures	1096.84	4.57	-	-	**1101.41**	56.33	-	124.23	-	**180.56**	**920.85**
Office equipment	1867.83	179.80	-	6.44	**2041.19**	742.38	7.05	476.61	-	**1211.94**	**829.25**
Vehicles	558.80	132.91	-	52.70	**639.01**	141.30	52.50	125.68	-	**214.48**	**424.53**
Total	**36456.99**	**1838.85**	**-**	**391.09**	**37904.75**	**5,113.61**	**352.90**	**3793.90**	**-**	**8554.61**	**29350.14**
4B Goodwill											
Total	**4023.65**	**-**	**-**	**-**	**4023.65**	**-**	**-**	**-**	**-**	**-**	**4023.65**
4C Other Intangible Assets											
Trademarks	1214.52	-	-	-	**1214.52**	161.42	-	131.65	-	**293.07**	**921.45**
Non compete fees	53.00	-	-	-	**53.00**	10.60	-	22.38	-	**32.98**	**20.02**
Total	**1267.52**	**-**	**-**	**-**	**1267.52**	**172.02**	**-**	**154.03**	**-**	**326.05**	**941.47**

₹ Lakhs

Description	Gross block					Depreciation / Amortisation					Net block
	Deemed cost As at 01-01-15	Additions	Additions through business combination	Deductions (Refer note (ii) below)	As at 31-03-16	As at 01-01-15	Deductions (Refer note (ii) below)	For the period	Transfer to retained earnings (Refer note (iii) below)	As at 31-03-16	As at 31-03-16
4A Property, Plant and Equipment											
Land freehold	1336.03	1013.42	164.30	-	2513.75	-	-	-	-	-	2513.75
Land leasehold	1369.58	23.78	-	-	1393.36	-	-	22.46	-	22.46	1370.90
Buildings	9066.69	3130.94	79.05	219.54	12057.14	-	-	868.46	86.51	954.97	11102.17
Plant and equipment	14307.50	2916.34	79.99	334.56	16969.27	-	-	3081.25	114.92	3196.17	13773.10
Furniture and fixtures	927.07	177.53	-	7.76	1096.84	-	-	31.75	24.58	56.33	1040.51
Office equipment	1806.91	174.32	0.50	113.90	1867.83	-	-	719.44	22.94	742.38	1125.45
Vehicles	369.33	241.01	-	51.54	558.80	-	-	139.79	1.51	141.30	417.50
Total	**29183.11**	**7677.34**	**323.84**	**727.30**	**36456.99**	**-**	**-**	**4863.15**	**250.46**	**5113.61**	**31343.38**
4B Goodwill											
Total	**3129.54**	**-**	**894.11**	**-**	**4023.65**	**-**	**-**	**-**	**-**	**-**	**4023.65**
4C Other Intangible Assets											
Trademarks	1188.81	25.71	-	-	1214.52	-	-	161.42	-	161.42	1053.10
Non compete fees	-	53.00	-	-	53.00	-	-	10.60	-	10.60	42.40
Total	**1188.81**	**78.71**	**-**	**-**	**1267.52**	**-**	**-**	**172.02**	**-**	**172.02**	**1095.50**

Notes : Property, plant and equipment

(i) Buildings include ₹ 450/- (31-03-16 and 01-01-15 : ₹ 450/-) being the cost of shares in co-operative housing society

(ii) Period ended 31-03-16 deductions include fixed assets transferred on sale of business of Industrial and Consumer Specialties (ICS) (Refer note 46)

(iii) Period ended 31-03-16, the Company has revised its estimate of useful life of tangible assets as prescribed in Part C of Schedule II of the Companies Act, 2013, w.e.f. January 01, 2015, except for certain assets for which different useful life has been considered based on a Technical Evaluation, which management believes best represents the period over which assets are expected to be used by the Company. As prescribed in the said Schedule II, an amount of ₹ 250.46 Lakhs has been charged to the opening balance of retained earnings (net of deferred tax of ₹ 85.12 Lakhs) for the assets in respect of which the remaining useful life became Nil as on January 01, 2015 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life on a prospective basis. Had the Company continued with the useful life adopted in earlier years, charge for depreciation for the15 months ended March 31, 2016 would have been lower by ₹ 300.48 Lakhs and the net profit for the same period would have been higher by the same amount.

Note : Goodwill

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

Cash generating unit (CGU)	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
Pigment business	**894.11**	894.11	-
Masterbatches business	**3129.54**	3129.54	3129.54
TOTAL	**4023.65**	4023.65	3129.54

The recoverable amount of both the CGU are determined based on a value in use calculation which uses cash flow projections covering a five-year period and a discount rate of 12.60% per annum (31-03-16 : 13.18% per annum; 01-01-15 : 13.35% per annum). For both the CGU, cash flow projections during the five year period are based on the histrorical growth rate and margins. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum (31-03-16 : 5% per annum and 01-01-15 : 5% per annum) growth rate which is the projected long-term average growth rate.

The Management believe 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.

5 Investment properties

(₹ in Lakhs)

Description	Gross block				Depreciation / Amortisation				Net block
	As at 01-04-16	Additions	Deductions	As at 31-03-17	As at 01-04-16	Deductions	For the year	As at 31-03-17	As at 31-03-17
Buildings	1.35	-	-	**1.35**	0.06	-	0.06	**0.12**	**1.23**
TOTAL	**1.35**	**-**	**-**	**1.35**	**0.06**	**-**	**0.06**	**0.12**	**1.23**

(₹ lakhs)

Description	Gross block				Depreciation / Amortisation				Net block
	Deemed cost As at 01-01-15	Additions	Deductions	As at 31-03-16	As at 01-01-15	Deductions	For the year	As at 31-03-16	As at 31-03-16
Buildings	1.35	-	-	1.35	-	-	0.06	0.06	1.29
TOTAL	**1.35**	**-**	**-**	**1.35**	**-**	**-**	**0.06**	**0.06**	**1.29**

Notes:

1 Amount recognised in profit and loss for investment properties

	Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
Rental Income	**40.19**	47.72
Direct operating expenses from property that generated rental income	**(2.44)**	(1.32)
Profit from investment properties before depreciation	**37.75**	46.40
Depreciation	**(0.06)**	(0.06)
Profit from investment properties	**37.69**	46.34

2 Fair Value

	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
Investment properties	**1060.00**	1080.00	1110.00
Fair value hierarchy	**Level 3**	Level 3	Level 3

The fair values of investment properties have been arrived at on the basis of a valuation carried out on the respective dates by an accredited independent valuer.The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

		31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
6	**Non-current financial assets : Investments**			
	Quoted investments (All fully paid)			
	Investment in equity instruments of ₹ 10 each :			
	Equity shares in Asahi Songwon Colors Limited (No of equity shares : Nil [31-03-16 and 01-01-15 : 718600])	**-**	940.64	1000.29
	Equity shares in AksharChem (India) Limited (Equity shares issued by AksarChem (India) Limited on transfer of demerged undertaking of Asahi Songwon Colors Limited and consequential restructuring of share capital) (No of equity shares : Nil [31-03-16 : 138192 and 01-01-15 : Nil])	**-**	226.50	-
		-	1167.14	1000.29
	Unquoted investments (All fully paid)			
	Investments in Bonds of ₹ 10000 each :			
	6% Rural Electrification Corporation Limited Bonds (No of Units : Nil [31-03-16 : Nil and 01-01-15: 500])	**-**	-	50.00
		-	-	50.00
		-	1167.14	1050.29
	Of the above, investments designated at FVTOCI - Equity instruments	**-**	1167.14	1000.29
	Of the above, financial assets carried at amortised Cost	**-**	-	50.00
7	**Non-current financial assets : Loans**			
	(Unsecured, considered good)			
	Security and other deposits	**947.34**	1182.64	1115.82
	Loans to employees	**20.18**	35.33	58.22
		967.52	1217.97	1174.04
8	**Other non-current assets**			
	Capital advances	**72.97**	29.39	1588.58
	Indirect taxes recoverable	**980.45**	772.34	601.21
	Prepayments	**44.63**	68.34	108.92
		1098.05	870.07	2298.71

		31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
9	**Current financial assets : Inventories**			
	(Valued at the lower of cost and net realisable value)			
	Raw materials	**6117.59**	5372.53	5253.94
	Packing materials	**141.51**	161.30	134.42
	Work-in-progress	**2021.29**	2064.38	2291.88
	Finished goods	**5571.47**	4821.36	6571.27
	Stock-in-trade	**1274.86**	1361.66	1651.51
	Stores and spares	**434.28**	431.64	431.68
		15561.00	14212.87	16334.70
	Included above, goods in transit			
	Raw materials	**590.26**	478.65	338.72
	Stock-in-trade	**552.15**	479.27	316.10
		1142.41	957.92	654.82
10	**Current financial assets : Investments**			
	Unquoted Investments (All fully paid)			
	Investments in Bonds of ₹ 10000 each			
	6% Rural Electrification Corporation Limited Bonds (No of Units : Nil [31-03-16 : 500 and 01-01-15 : Nil])	**-**	50.00	-
		-	50.00	-
	Investments in Mutual funds			
	Baroda Pioneer Mutual Fund Liquid Fund -Plan A - DDR	**1031.39**	1601.68	676.75
	Baroda Pioneer Treasury Advantage Fund - Plan A - DDR	**1470.52**	-	-
	Birla Sun Life Cash Plus - Regular Plan - DDR	**230.59**	-	-
	DHFL Pramerica Mutual Fund - Insta Cash Plus Fund - DDR	**689.19**	509.39	-
	DSP BlackRock Mutual Fund - Liquidity Fund Institutional Plan - DDR	**1268.84**	303.06	-
	HDFC Mutual Fund - Liquid Fund -DDR	**-**	286.71	907.62
	ICICI Prudential Money Market Fund - DDR	**1252.69**	-	-
	JM Financial Mutual Fund - High Liquidity Fund - daily dividend option	**652.26**	303.36	-
	L & T Liquid Fund - DDR	**625.26**	-	-
	Reliance Liquid Fund - Treasury Plan - DDR	**985.08**	-	-
	LIC Mutual Fund - Liquid Fund - DDR	**1530.71**	1759.44	538.67
	UTI Mutual Fund - Money Market Fund - Institutional Plan - DDR	**-**	202.75	-
	Taurus Liquid Fund - Super Institutional - DDR	**1511.29**	1213.68	-
	Sundram Mutual Fund - Fixed Term Plan FD 397 days direct growth	**-**	-	540.33
		11247.82	6180.07	2663.37
		11247.82	6230.07	2663.37
	DDR stands for Daily dividend reinvestment			
	Of the above, investments mandatorily measured at FVTPL	**11247.82**	6180.07	2663.37
	Of the above, financial assets carried at amortised Cost	**-**	50.00	-

		31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
		11247.82	6230.07	2663.37
11	**Trade receivables**			
	Secured, considered good	**296.50**	135.23	217.87
	Unsecured, considered good	**17045.98**	17568.03	16164.33
	Unsecured, considered doubtful	**197.29**	93.32	78.27
		17539.77	17796.58	16460.47
	Less: Allowances for credit losses	**244.09**	134.35	92.61
		17295.68	17662.23	16367.86
12	**Current financial assets : Cash and bank balances**			
	Cash and cash equivalents :			
	Cash on hand	**1.78**	1.85	1.88
	Cheques, drafts on hand	**84.36**	47.88	151.47
	Balances with banks			
	In current accounts	**1701.91**	1557.99	206.03
	Term deposits with original maturity of less than three months	**640.82**	480.08	100202.80
		2428.87	2087.80	100562.18
	Other bank balances :			
	Earmarked current account : Unclaimed dividend	**755.26**	801.61	583.16
		755.26	801.61	583.16
13	**Current financial assets : Loans**			
	(Unsecured, considered good)			
	Security and other deposits	**24.90**	8.87	154.88
	Loans to employees	**23.37**	36.96	41.31
		48.27	45.83	196.19
14	**Current financial assets : Others**			
	Accrued service revenue	**116.47**	46.16	129.79
	Others	**2.69**	9.10	17.18
		119.16	55.26	146.97
15	**Other current assets**			
	Advances to suppliers	**394.46**	594.39	416.39
	Indirect taxes recoverable	**819.89**	906.04	1079.28
	Balance with government authorities	**1677.16**	1378.40	2100.79
	Prepayments	**140.14**	106.58	101.63
	Export incentives receivable	**384.82**	429.44	267.26
	Other current assets	**101.18**	471.84	563.02
		3517.65	3886.69	4528.37

		31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
16	**Share capital**			
	Authorised			
	3,00,00,000 equity shares of ₹ 10/- each	**3000.00**	3000.00	3000.00
	Issued, subscribed and paid up			
	2,30,81,798 equity shares of ₹ 10/- each fully paid up (31-03-16 : 2,30,81,798 ; 01-01-15 : 2,66,60,745)	**2308.18**	2308.18	2666.07

16 a Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the period

	31-03-17		31-03-16		01-01-15	
	Number	**₹ Lakhs**	Number	₹ Lakhs	Number	₹ Lakhs
Equity shares :						
Outstanding as at the beginning of the period	**2,30,81,798**	**2308.18**	2,66,60,745	2666.07	2,66,60,745	2666.07
Less: Extinguished on buyback during the period	**-**	**-**	(35,78,947)	(357.89)	-	-
Outstanding as at the end of the period	**2,30,81,798**	**2308.18**	2,30,81,798	2308.18	2,66,60,745	2666.07

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

	31-03-17		31-03-16		01-01-15	
	Number	**Percentage**	Number	Percentage	Number	Percentage
Name of Shareholder						
EBITO Chemiebeteiligungen AG. *	**41,09,426**	**17.80%**	71,64,426	31.04%	81,67,080	30.63%
Clariant International AG. *	**53,29,186**	**23.09%**	53,29,186	23.09%	60,75,000	22.79%
Clariant Plastic & Coating AG. * (Erstwhile known as Clariant Participations AG)	**23,33,438**	**10.11%**	23,33,438	10.11%	26,60,000	9.98%

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

16 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

16 d Shares bought back (during 5 financial years immediately preceding 31-03-17)

	31-03-17	**31-03-16**	**31-12-14**	**31-12-13**	**31-12-12**
Equity Shares bought back	-	35,78,947	-	-	-

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

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

16 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.

16 f Dividend on equity shares

The Board of Directors at its meeting held on May 20,2016, recommended the payment of final dividend of ₹ 10 per equity share for the 15 months period ended March 31, 2016. The same was approved by the shareholders at the Annual general meeting held on August 12, 2016 and paid during the year, resulting in a cash outflow of ₹ 2778.08 Lakhs including corporate dividend tax. The final dividend with the interim dividend of ₹ 140 per equity share paid in January 2015, made a total dividend of ₹ 150 per equity share for the 15 months period ended March 31, 2016, resulting in a total cash outflow (including corporate dividend tax) of ₹ 47566.16 Lakhs over the two periods.

The Board of Directors at its meeting held on May 23, 2017, have recommended the payment of final dividend of ₹ 25 per equity share for the financial year ended March 31, 2017. 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 ₹ 6945.20 Lakhs (including corporate dividend tax of ₹ 1174.75 Lakhs).

		31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
17	**Other equity**			
	Capital reserve	**730.11**	730.11	730.11
	Securities premium reserve	**-**	-	3545.65
	Capital redemption reserve	**495.39**	495.39	137.50
	General reserve	**10492.29**	10492.29	40946.63
	Deemed contribution from parent (See Note 43)	**122.76**	56.10	9.31
	Retained earnings	**53143.64**	52360.56	91614.53
	Reserve for equity instruments through OCI	**-**	500.05	333.20
		64984.19	64634.50	137316.93
18	**Non - current liabilities : Provisions**			
	Provision for employee benefits			
	Compensated absences	**767.12**	661.77	731.86
	Gratuity	**95.60**	-	328.50
	Ex-gratia gratuity	**41.58**	40.08	43.74
		904.30	701.85	1104.10
19	**Deferred tax liabilities (Net)**			
	Deferred tax liabilities			
	Property, plant and equipment and investment properties	**2303.03**	2489.60	1612.44
	Intangible assets	**119.43**	105.04	(4.93)
	Financial assets at fair value through profit or loss	**-**	-	26.85
		2422.46	2594.64	1634.36

	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
Deferred tax assets			
Allowance credit losses and doubtful receivables	**84.48**	46.50	28.33
Financial assets at fair value through profit or loss	**37.57**	-	-
Provision for employee benefits	**446.95**	391.81	473.35
Other Provisions	**54.50**	54.50	53.52
Others	**3.33**	3.27	14.14
	626.83	496.08	569.34
	1795.63	2098.56	1065.02

Movements in deferred tax liabilites for the year ended 31-03-17 **₹ Lakhs**

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Recognised in equity	Closing balance
Property, plant and equipment and investment properties	2489.60	(186.57)	-	-	**2303.03**
Intangible assets	105.04	14.39	-	-	**119.43**
Financial assets at fair value through profit or loss	-	(37.57)	-	-	**(37.57)**
Allowance credit losses and doubtful receivables	(46.50)	(37.98)	-	-	**(84.48)**
Provision for employee benefits	(391.81)	(15.98)	(39.16)	-	**(446.95)**
Other Provisions	(54.50)	-	-	-	**(54.50)**
Others	(3.27)	(0.06)	-	-	**(3.33)**
Net Deferred tax Asset / (Liabilities)	**2098.56**	**(263.77)**	**(39.16)**	**-**	**1795.63**

Movements in deferred tax liabilites for the 15 months ended 31-03-16 **₹ Lakhs**

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Recognised in equity	Closing balance
Property, plant and equipment and investment properties	1612.44	962.28	-	(85.12)	2489.60
Intangible assets	(4.93)	109.97	-	-	105.04
Financial assets at fair value through profit or loss	26.85	(26.85)	-	-	-
Allowance credit losses and doubtful receivables	(28.33)	(18.17)	-	-	(46.50)
Provision for employee benefits	(473.35)	47.00	34.54	-	(391.81)
Other Provisions	(53.52)	(0.98)	-	-	(54.50)
Others	(14.14)	10.87	-	-	(3.27)
Net Deferred tax Asset / (Liabilities)	**1065.02**	**1084.12**	**34.54**	**(85.12)**	**2098.56**

	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
20 Short term borrowings			
Unsecured borrowing at amortised cost			
Pre-shipment credit in foreign currency from a bank (As at 01-01-15 : These borrowings were given under a running account at an interest rate of Libor plus spread of 1%)	**-**	-	945.45
	-	-	945.45
21 Trade payables			
Trade payables (Refer note 40)	**16824.95**	14626.58	14564.26
	16824.95	14626.58	14564.26
22 Current financial liabilities : Others			
Security and other deposits	**495.71**	475.77	685.45
Employee benefits payable	**1278.61**	973.60	884.38
Payables for capital expenditure	**267.19**	130.31	1102.89
Accrued liabilities for expenses	**463.22**	474.30	306.65
Unclaimed dividend *	**755.26**	801.61	583.16
	3259.99	2855.59	3562.53
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.			
23 Other current liabilities			
Advances from customers	**151.56**	105.12	192.89
Statutory dues (including provident fund and withholding taxes)	**1045.46**	1164.18	1037.54
Other liabilities	**31.93**	37.23	67.05
	1228.95	1306.53	1297.48
24 Current liabilities : Provisions			
Provision for employee benefits			
Compensated absences	**125.37**	127.87	202.56
Gratuity	**250.00**	288.02	215.05
Ex-gratia gratuity	**11.71**	14.32	16.15
Other Provisions			
Provision for indirect tax matters	**378.54**	431.00	259.80
	765.62	861.21	693.56

	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
24 a Movements In provision for indirect tax matters			
Opening balance	**431.00**	259.80	358.69
Provision during the period	**-**	171.20	-
Amount utilised	**(52.46)**	-	(98.89)
Closing balance	**378.54**	431.00	259.80

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

	Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
25 Revenue from operations		
Sale of products (including excise duty)	**101986.16**	118813.11
Sale of services	**2282.43**	2424.61
Other operating revenue		
Export incentives	**995.40**	838.76
Commission income	**578.15**	622.27
Scrap sale	**128.95**	162.17
	105971.09	122860.92

26 Other income		
Interest income on financial assets at amortised cost		
Fixed deposits	**8.14**	507.91
Others	**58.33**	80.77
Dividend Income from :		
Equity investments designated at FVTOCI (Refer note below)	**-**	49.20
Financial assets mandatorily measured at FVTPL	**414.69**	1467.46
Rental income		
Sublease of office premises	**299.16**	230.38
Investment properties	**40.19**	47.72
Other gains and losses		
Net Gain on disposal of property, plant and equipment	**20.03**	1045.52
Foreign exchange gain (Net)	**61.19**	-
Net gain on financial assets mandatorily measured at FVTPL	**-**	154.86
Miscellaneous income	**8.09**	88.00
	909.82	3671.82

Note:
All dividends from equity investments designated at FVTOCI recognised for both the reporting periods relate to investments held at the end of each reporting period.

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
27	**Cost of materials consumed ***		
	Raw materials consumed	**52104.70**	61036.51
	Packing materials consumed	**1813.95**	2236.79
		53918.65	63273.30
	* Cost of materials consumed is based on derived values.		
28	**Changes in inventories**		
	Opening inventories		
	Finished goods	**5549.36**	6571.27
	Stock-in-trade	**1361.66**	1651.51
	Work - in - progress	**2064.38**	2291.88
		8975.40	10514.66
	Less: On sale of business (Refer note 46)		
	Finished goods	**-**	136.60
	Stock-in-trade	**-**	499.07
		-	635.67
	Add: On acquisition of business (Refer note 47)		
	Finished goods	**-**	14.44
		-	14.44
	Less: Closing inventories		
	Finished goods	**5571.47**	5549.36
	Stock-in-trade	**1274.86**	1361.66
	Work - in - progress	**2021.29**	2064.38
		8867.62	8975.40
	Changes in inventories	**107.78**	918.03
29	**Employee benefits expense**		
	Salaries, wages, bonus, etc.	**7243.25**	8339.02
	Gratuity and Ex gratia gratuity	**148.22**	254.70
	Provident fund	**291.45**	350.47
	Contribution to superannuation fund	**163.81**	236.99
	Share based payments (See Note 43)	**66.66**	46.79
	Staff welfare expenses	**1146.70**	1394.54
		9060.09	10622.51

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
30	**Finance costs**		
	Interest expenses - on financial liability at amortised cost	**46.28**	72.52
		46.28	72.52
31	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment (Pertaining to continuing operations)	**3793.90**	4833.38
	Depreciation on investment properties	**0.06**	0.06
	Amortisation of intangible assets	**154.03**	172.02
		3947.99	5005.46
32	**Other expenses**		
	Stores and spare parts etc. consumed	**566.50**	559.67
	Repairs and maintenance :		
	Plant and machinery	**1512.47**	1738.14
	Buildings	**380.22**	282.59
	Others	**281.69**	397.13
	Power and fuel	**5113.58**	6011.58
	Rent (including lease payments) (Refer note 38)	**1076.04**	1396.05
	Rates and taxes (including water charges)	**1059.01**	991.57
	Insurance	**244.29**	279.67
	Clearing, forwarding and transport	**1884.57**	2204.00
	Travelling and conveyance	**1015.65**	1348.85
	Commission	**213.34**	211.63
	Royalty	**106.54**	86.89
	Legal and consultancy	**372.86**	435.75
	Information technology services	**1098.01**	1481.84
	Payment to statutory auditors :		
	As auditors	**28.30**	25.00
	For other services	**26.70**	41.37
	For reimbursement of expenses	**4.23**	5.44
	Property, plant and equipment written-off	**33.00**	225.63
	Net loss on financial assets mandatorily measured at FVTPL	**107.09**	-
	Allowances for credit losses	**109.74**	46.90
	Foreign exchange loss (Net)	**-**	35.38
	Expenditure towards corporate social responsibility (CSR) activities	**33.77**	44.18
	Miscellaneous expenses	**5506.30**	4963.63
		20773.90	22812.89

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
33	**Exceptional items, credit (Net)**		
	Profit on sale of discontinued ICS business (Refer note 46)	-	2656.23
		-	2656.23
34	**Reconciliation of income tax expenses with accounting profit**		
	Profit before tax from continuing operations	**3628.77**	5026.61
	Profit before tax from discontinued operations	-	2341.37
	Less: Income taxed at different tax rate	-	(2656.23)
	Profit before tax	**3628.77**	4711.75
	Income tax using the Company's domestic tax rate @ 34.61%	**1255.92**	1630.74
	Effect of expenses that are not deductible	**16.42**	76.90
	Effect of expenses that are additionally allowed	-	(350.75)
	Effect of income that is not taxable	**(91.61)**	(524.91)
	Effect on deferred tax balances due to the change in income tax rate	-	17.42
	Effect of income taxed at different rate	-	924.33
	Income tax expense recognised in profit or loss	**1180.73**	1773.73

35 Financial instruments and risk review

Capital management

The Company's objectives when managing capital are to :

(i) 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

(ii) Maintain an optimal capital strucrure 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 16 and 17). The Company is a zero debt company with no long-term borrowings as at 31.03.2017. The Company is not subject to any externally imposed capital requirements.

Categories of financial instruments

₹ Lakhs

Particulars	31-03-17	31-03-16	01-01-15
Financial assets			
Measured at amortised cost			
Cash and bank balances	**3184.13**	2889.41	101145.34
Investments in bonds	**-**	50.00	50.00
Trade receivables	**17295.68**	17662.23	16367.86
Loans	**1015.79**	1263.80	1370.23
Other financial assets	**119.16**	55.26	146.97
Measured at fair value through profit and loss (FVTPL)			
Mandatorily measured - Investments in mutual funds	**11247.82**	6180.07	2663.37
Investment in equity instruments designated as FVTOCI	**-**	1167.14	1000.29
Financial liabilities			
Measured at amortised cost	**20084.94**	17482.17	19072.24

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 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, Company use spot transactions foreign currencies / 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 period are as follows:

₹ Lakhs

Particulars	31-03-17	31-03-16	01-01-15
Amount receivable			
USD (Amount in foreign currency)	**7142716.00**	7445681.00	5255520.00
₹ in Lakhs	**4643.02**	4913.90	3311.59
EURO (Amount in foreign currency)	**46343.00**	87299.00	64203.00
₹ in Lakhs	**32.17**	65.49	49.32
Amount payable			
USD (Amount in foreign currency)	**4731672.00**	3375109.00	1898866.00
₹ in Lakhs	**3075.85**	2233.55	1196.64
EURO (Amount in foreign currency)	**3117864**	2569712	1762149
₹ in Lakhs	**2164.24**	1921.99	1349.72

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.

₹ Lakhs

Foreign currency	Year ended 31-03-17		15 Months ended 31-03-16	
	1% strengthening	1% weakening	1% strengthening	1% weakening
USD	**(15.98)**	**15.98**	(26.80)	26.80
EURO	**21.64**	**(21.64)**	18.57	(18.57)

Other price risks

The Company was exposed to equity price risks arising from equity investments. Equity investments were held for strategic rather than trading purposes. The Company does not actively trade in these investments.

Following is the sensitivity analysis as a result of the changes in fair value of equity investments measured at FVTOCI, determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, other comprehensive income would increase/decrease as follows for :

The year ended 31.03.17 : by **₹ Nil Lakhs**

15 months ended 31.03.16 : by ₹ 58.36 Lakhs

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.

Ageing of the receivables

₹ Lakhs

Particulars	31-03-17	31-03-16	01-01-15
Within credit period	**15992.94**	15671.77	14951.88
Past dues:			
upto 60 days	**1093.94**	1626.64	1048.43
61 to 180 days	**113.54**	199.40	232.96
more than 180 days	**339.35**	298.77	227.20
Allowance for life time expected credit Loss on trade receivables	**244.09**	134.35	92.61

Movement in the credit loss allowance

₹ Lakhs

Particulars	Year ended 31-03-17	15 Months ended 31-03-16
Balance at the beginning of the period	**134.35**	92.61
Movement in expected credit loss allowance on trade receivable calculated at lifetime expected credit losses	**109.74**	41.74
Balance at the end of the period	**244.09**	134.35

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 and investments in mutual munds are highly liquid and are readily available for payment of liabilities.

The following table analyses 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.

₹ Lakhs

Particulars	Less than 1 year	1 to 5 years	5 years and above
As at 31-03-17			
Trade payables	**16824.95**	**-**	**-**
Other financial liabilities	**3259.99**	**-**	**-**
As at 31-03-16			
Trade payables	14626.58	-	-
Other financial liabilities	2855.59	-	-
As at 01-01-2015			
Pre-shipment credit in foreign currency	945.45	-	-
Trade payables	14564.26	-	-
Other financial liabilities	3562.53	-	-

36 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).

₹ Lakhs

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31-03-17	31-03-16	01-01-15		
Financial assets at fair value through profit or loss Mutual funds	**11247.82**	6180.07	2663.37	Level 2	Net assets value of Mutual Funds
Financial assets at fair value through other comprehensive income (FVTOCI) :					
Equity investment in Asahi Songwon Colors Ltd.	**-**	940.64	1000.29	Level 1	Quoted bid prices in an active market
Equity investment in AksharChem (India) Ltd.	**-**	226.50	-	Level 1	Quoted bid prices in an active market

Note: Investment in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate investments in equity instruments at FVTOCI as the management believe that this provides a more meaningful presentation for medium or long-term strategic investments, rather than reflecting changes in fair value immediately in profit or loss.

Fair value of financial assets that are not measured at fair value (but fair value disclosures are required):

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate at their fair values.

	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
37 Contingent liabilities and commitments (to the extent not provided for)			
(a) Contingent liabilities :			
(i) in respect of income tax matters	**4340.16**	860.39	665.97
(ii) in respect of sales tax / VAT matters	**6014.78**	14782.38	13687.01
(iii) in respect of excise / service tax matters	**1214.31**	915.86	1024.86
(iv) Other matters in dispute	**209.82**	209.82	209.82
In respect of above items, future cash outflows, if any are determinable only on receipt of judgements pending at various forums/authorities.			
(b) Commitments :			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**392.93**	151.73	984.53
(ii) Others - amount of future minimum lease payments under non-cancellable operating leases (Refer note 38)	**5455.50**	6159.55	6884.56

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
38	**Operating Leases :**		
	As Lessee :		
(a)	Lease payments recognised as rent in the Statement of Profit and Loss for the year/ period in respect of (Refer note 32) :		
	Premises, vehicles and computers [includes minimum lease payments ₹ **704.05** Lakhs (Previous year ₹ 997.36 Lakhs)]	**1076.04**	1396.05
(b)	There are no restrictions such as those concerning dividends, additional debt and further leasing, imposed by the lease agreements entered into by the Company.		
(c)	Some of the agreements provide for increase in rent.		
(d)	Some of the agreements provide for early termination by either party with a notice period which varies from 1 month to 9 months.		
(e)	Under some of the agreements, refundable interest free deposits have been given		
(f)	Contingent rent payments in respect of vehicles are dependent upon the excess of actual usage, if any, over stipulated usage.		
(g)	The total of future minimum lease payments under non-cancellable operating leases are as follows:		
	For a period not later than one year	**763.37**	704.05
	For a period later than one year and not later than five years	**3229.93**	3149.72
	Later than five years	**1462.20**	2305.78
	Total [Refer note 37 (b) (ii)]	**5455.50**	6159.55
	As Lessor :		
	The company has given certain buildings on operating lease to third parties. The lease arrangements ranging from 11 months to 4 years are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ **339.35** (including ₹ **40.19** relating to investment property) (Previous year ₹ 278.10, including ₹ 47.72 relating to investment property) on such lease is included in Other Income (Refer note 26).		
39	**Earnings per share :**		
(a)	Basic and diluted earnings per share		
	(i) From continuing operations attributable to the equity holders of the Company	**10.61**	16.14
	(ii) From discontinued operations	**-**	7.28
	Total basic and diluted earnings per share attributable to the equity holders of the Company	**10.61**	23.42
(b)	The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:		
	(i) From continuing operations	**2448.04**	4091.09
	(ii) From discontinued operation	**-**	1845.85
	(iii) Profit attributable to the equity holders of the Company	**2448.04**	5936.94
	(iv) Weighted average number of equity shares (Numbers)	**23,081,798**	25,342,186
	Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.		

		31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
40	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.			
(a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year / period end	**546.88**	371.03	665.15
(b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year / period end	**0.23**	-	28.87
(c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year / period	**2881.81**	3335.91	NA
(d)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year / period	**-**	-	-
(e)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year / period	**-**	-	-
(f)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**6.11**	8.99	-
(g)	Further interest remaining due and payable for earlier years	**37.86**	28.87	-

41 Corporate social responsibility

(a) Gross amount required to be spent by the company during the year ₹ **99.83** Lakhs (Previous period : ₹ 161.77 Lakhs)

(b) Amount spent during the period on :

	Particulars	Year ended 31-03-17			15 Months ended 31-03-16		
		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	**33.77**	**-**	**33.77**	44.18	-	44.18

	Year ended 31-03-17 ₹ Lakhs		15 Months ended 31-03-16 ₹ Lakhs	
	Funded	**Unfunded**	Funded	Unfunded
42 Employee benefits :				
(1) Defined benefits plans - As per actuarial valuation				
(a) Gratuity and Ex-Gratia gratuity				
(i) Expenses recognised in the statement of profit and loss for the year / period				
1. Current service cost	**135.97**	**1.23**	193.40	1.55
2. Interest cost	**7.17**	**3.85**	54.44	5.31
3. Expense recognised in statement of profit and loss	**143.14**	**5.08**	247.84	6.86
(ii) Expenses recognised in other comprehensive income				
1. Return on plan assets	**(13.65)**	**-**	(45.40)	-
2. (Gain)/ Loss from change in financial assumptions	**134.37**	**3.00**	7.72	0.17
3. Experience (gain)/loss	**(10.69)**	**0.11**	(60.67)	(1.62)
4. Expense / (income) recognised in Other comprehensive income	**110.03**	**3.11**	(98.35)	(1.45)
(iii) Actual return on plan assets for the year / period				
1. Expected return on plan assets	**153.74**	**-**	177.90	-
2. Actuarial gain/(loss) on plan assets	**13.65**	**-**	45.40	-
3. Actual return on plan assets	**167.39**	**-**	223.30	-
(iv) Net asset/(liability) recognised in the balance sheet as at the year / period end				
1. Present value of the defined benefit obligation	**2310.91**	**53.29**	2117.23	54.40
2. Fair value of plan assets	**1965.31**	**-**	1829.21	-
3. Net asset/(liability) recognised in the balance sheet	**(345.60)**	**(53.29)**	(288.02)	(54.40)
(v) Change in defined benefit obligation during the year / period				
1. Present value of obligation at the beginning of the year / period	**2117.23**	**54.40**	2200.11	209.62
2. Current service cost	**135.97**	**1.23**	193.40	1.55
3. Interest cost	**160.91**	**3.85**	232.34	5.31
4. Benefits paid	**(166.01)**	**(9.30)**	(393.84)	(10.90)
5. Actuarial (gain)/loss on obligation	**123.68**	**3.11**	(52.95)	(1.45)
6. Transfer in/(out) on sale of Business (Refer note 46)	**(60.87)**	**-**	(224.85)	-
7. Transferred on account of business acquisition (Refer note 47)	**-**	**-**	13.29	-
8. Transferred from unfunded	**-**	**-**	149.73	(149.73)
9. Present value of obligation as at the end of the year / period	**2310.91**	**53.29**	2117.23	54.40

		Year ended 31-03-17 ₹ Lakhs		15 Months ended 31-03-16 ₹ Lakhs	
		Funded	**Unfunded**	Funded	Unfunded
(vi)	Changes in fair value of plan asset during the year / period				
1.	Fair value of plan assets as at the beginning of the year / period	**1829.21**	**-**	1806.29	-
2.	Expected return on plan assets	**153.74**	**-**	177.90	-
3.	Contributions made	**195.59**	**-**	405.02	-
4.	Transfer in/(out) on account of business acquisition / sale and employees transfer to be made (Refer note 46 and 47)	**(60.87)**	**-**	(211.56)	-
5.	Benefits paid	**(166.01)**	**-**	(393.84)	-
6.	Actuarial gain/(loss) on plan assets	**13.65**	**-**	45.40	-
7.	Fair value of plan assets as at the end of the year / period	**1965.31**	**-**	1829.21	-
(vii)	Major categories of plan assets as a percentage of total plan assets				
1.	Government debt instruments	**39.41%**	**-**	43.74%	-
2.	Other debt instruments	**24.27%**	**-**	32.02%	-
3.	Insurer managed funds	**35.61%**	**-**	33.27%	-
4.	Others*	**0.71%**	**-**	-9.03%	-
	*Represents transfer out to be made on sale of business net of other assets.				
(viii)	Actuarial assumptions				
1.	Discount rate	**7.35%**	**7.35%**	8.15%	8.15%
2.	Expected rate of return on plan assets	**7.35%**	**-**	8.15%	-
3.	Salary escalation	**6.0%-8.0%**	**6.0%-8.0%**	6.0%-8.0%	6.0%-8.0%
(ix)	The company expects to contribute **₹ 250.00** Lakhs (Previous period : ₹ 400.00 Lakhs) to the funded gratuity plans in the next year.				

		As at 01.01.15 ₹ Lakhs	
		Funded	Unfunded
(x)	Net Asset/(liability) recognised in the Balance Sheet:		
1.	Present value of the defined benefit obligation	2200.11	209.62
2.	Fair value of plan assets	1806.29	-
3.	Net asset/(liability) recognised in the balance sheet	(393.82)	(209.62)
(xi)	The unfunded defined benefit plan represents "Ex-gratia gratuity".		

		31-03-17	31-03-16
(b)	**Sensitivity analysis**		
	Impact of increase in 25 bps on DBO		
1.	Discount Rate Gratuity	**-1.89%**	-1.80%
2.	Discount Rate Ex-gratia	**-1.82%**	-1.62%
3.	Salary Escalation Gratuity	**1.92%**	1.84%
4.	Salary Escalation Ex-gratia	**0.58%**	0.51%

		31-03-17	31-03-16
Impact of decrease in 25 bps on DBO			
1.	Discount Rate Gratuity	**1.95%**	1.86%
2.	Discount Rate Ex-gratia	**1.91%**	1.69%
3.	Salary Escalation Gratuity	**-1.87%**	-1.79%
4.	Salary Escalation Ex-gratia	**-0.60%**	-0.51%

		Year ended 31-03-17 ₹ Lakhs		15 Months ended 31-03-16 ₹ Lakhs	
		Gratuity	**Ex-gratia**	Gratuity	Ex-gratia
(c)	The weighted average duration of the defined benefit obligation is 8.14 years for gratuity and 7.46 for ex-gratia (previous period : 7.92 years for gratuity and 6.58 years for ex-gratia). The expected maturity analysis is as follows:				
	Expected benefits for year 1	**310.09**	**11.71**	285.65	14.32
	Expected benefits for year 2	**157.40**	**2.57**	174.00	6.12
	Expected benefits for year 3	**107.64**	**4.66**	150.84	2.55
	Expected benefits for year 4	**214.98**	**4.17**	112.91	4.60
	Expected benefits for year 5	**139.04**	**6.27**	203.88	4.12
	Expected benefits for year 6	**300.84**	**4.70**	129.71	6.41
	Expected benefits for year 7	**228.85**	**2.13**	289.37	5.39
	Expected benefits for year 8	**204.83**	**6.65**	222.24	2.10
	Expected benefits for year 9	**205.24**	**7.05**	236.94	6.77
	Expected benefits for year 10 and above	**2736.20**	**59.75**	2673.47	61.59
(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.				

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
(2)	**Other long term benefits**		
	Compensated absences	**892.49**	789.64
(3)	**Provident fund**		
	Defined benefit obligation	**2461.45**	2873.61
	Fund assets	**2461.45**	2873.61
	Net liability	**-**	-

		Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
	Actuarial assumptions		
1.	Discount rate	**7.35%**	8.15%
2.	Average historic yield on the portfolio	**9.25%**	9.36%
3.	Discount rate for the remaining term to maturity of the portfolio	**6.65%**	7.54%
4.	Expected investment return	**9.95%**	9.97%
5.	Guaranteed rate of return	**8.65%**	8.80%

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.

43 Share based payments

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	31-03-17		31-03-16	
	GSM-LTIP	**PSU**	GSM-LTIP	PSU
Outstanding at the beginning of the period	**4253**	**6804**	2077	3407
Granted during the period	**5144**	**5586**	2176	3397
Exercised during the period	**(2077)**	**-**	-	-
Outstanding at the end of the period	**7320**	**12390**	4253	6804
Weighted average fair value of the shares granted during the year/ period ended (in CHF per share)	**17.78**	**16.84**	19.71	19.10
Weighted average remaining contractual life	**2.04 years**	**1.64 years**	1.52 years	1.96 years

The weighted average share price at the date of exercise of options during the year ended 31.03.17 was **CHF 19 per share** (31.03.16 : Nil).

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

44 Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below :

(a) Enterprises where control exists:

(i) Ultimate Holding Company

- Clariant AG, Switzerland

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

- EBITO Chemiebeteiligungen AG
- Clariant Plastic & Coating AG (Erstwhile known as Clariant Participations AG)
- Clariant International AG

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

Fellow subsidiary companies :

Clariant (Argentina) SA	Clariant Plastics & Coatings (Argentina) SA
Clariant (Australia) Pty. Ltd.	Clariant Masterbatches (Deutschland) GmbH
Clariant (China) Ltd.	Clariant Masterbatches (Shanghai) Ltd.
Clariant (Gulf) FZE	Clariant Masterbatches (Thailand) Ltd.
Clariant (Japan) K.K.	Clariant Chemicals (Guangzhou) Ltd.
Clariant Plastics & Coatings, (Italia) S.p.A. (Formerly Known as Clariant Materbatches (Italia) S.p.A)	Clariant Turkey Plastik Boya ve Kimyevi Maddeler ve Madencilik Sanayi ve Ticaret A.S.
Clariant (Mexico) S.A. de C.V.	Clariant Plastics & Coatings (Deutschland) GmbH
Clariant (Österreich) GmbH	Clariant Masterbatches (Saudi Arabia) Ltd.
Clariant (Singapore) Pte. Ltd.	Clariant Medical Specialties India Limited
Clariant (Türkiye) Boya ve Kimyevi Maddeler Sanayi ve Ticaret A.S.	Clariant Plastics & Coatings (Argentina)
Clariant Chemicals (China) Ltd.	Clariant Plastics & Coatings (Japan) K.K.
Clariant Plastics & Coatings México, S.A. de C.V	Clariant Plastics & Coatings AG
Clariant Chemicals (Taiwan) Co., Ltd.	Clariant Polska, Sp. z.o.o.
Clariant Chemicals Pakistan (Pvt.) Ltd	Clariant (New Zealand) Ltd.
Clariant Corporation	Clariant S.A.
Clariant Masterbatches (Malaysia) Sdn Bhd	Clariant Plastics & Coatings Polska Sp.z o.o.
Clariant India Limited	Clariant Services (Poland) SP. z o.o.
Clariant Produkte (Deutschland) GmbH	Clariant Plastics & Coatings Southern Africa (Pty) Ltd
Clariant Plastics & Coatings USA Inc.	

(c) Key management personnel:

Executive Directors

Dr. Deepak Parikh

B.L. Gaggar (upto 30.06.15)

Non-Executive Directors

Kewal Handa (from 05.11.15)

Sunirmal Talukdar (from 05.11.15)

Indu Shahani

Alfred Muench

Karl Holger Dierssen

Mario Brocchi (from 12.02.15)

Bharat V. Patel (upto 20.10.15)

Y. H. Malegam (upto 15.10.15)

	Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
Transactions entered into with related parties during the year / period and balances as at the year / period end:		
(i) Principal Shareholders :		
Transactions during the year / period:		
Clariant International AG		
Purchase of goods	**-**	5198.24
Indenting commission received	**4.43**	548.64
Information technology service charges	**747.19**	1044.52
Other services received	**-**	170.83
Royalty expense	**-**	86.89
Expenses recovered	**442.64**	312.71
Dividend paid	**532.92**	8505.00
Buy back of shares	**-**	7085.23
Clariant Plastic & Coating AG (Esrtwhile Clariant Participations AG)		
Purchase of goods	**5512.91**	1654.68
Indenting commission	**432.16**	-
Royalty expenses	**106.54**	-
Expenses recovered	**5.86**	-
Dividend paid	**233.34**	3724.00
Buy back of shares	**-**	3102.34
EBITO Chemiebeteiligungen AG		
Dividend paid	**716.44**	11433.91
Expenses recovered	**12.85**	4.45
Buy back of shares	**-**	9525.21
(ii) Fellow subsidiaries :		
Transactions during the year / period :		
Sales of goods		
Clariant (Singapore) Pte. Ltd.	**20182.46**	24004.57
Others	**101.73**	181.56
Purchase of goods		
Clariant (China) Ltd.	**-**	2398.22
Clariant (Singapore) Pte. Ltd.	**1727.28**	-
Others	**196.40**	620.66
Purchase of capital goods		
Clariant Plastics & Coatings (Deutschland) GmbH	**46.73**	14.15
(Formely known as Clariant Masterbatches (Deutschland) GmbH)		
Clariant (Österreich) GmbH	**1.27**	-

	Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
Transactions entered into with related parties during the year / period and balances as at the year / period end: (contd.)		
Rental income		
Clariant India Limited	**243.62**	201.44
Clariant Medical Specialties India Ltd	**49.31**	15.47
Security deposit received for rent		
Clariant India Limited	**16.23**	41.28
Clariant Medical Specialties India Limited	**0.23**	-
Services rendered		
Clariant India Limited	**1330.66**	1168.43
Clariant Medical Specialties India Limited	**158.84**	-
Indenting Commission received		
Clariant (China) Ltd.	**51.55**	167.52
Clariant Masterbatches (Thailand) Ltd.	**42.84**	22.98
Clariant (Singapore) Pte. Ltd.	**44.67**	3.30
Others	**2.51**	8.37
Commission Paid		
Clariant Chemicals Pakistan (Pvt.) Ltd.	**25.47**	16.18
Expenses recovered		
Clariant India Limited	**-**	36.67
Clariant (Türkiye) Boya ve Kimyevi Maddeler Sanayi ve Ticaret A.S.	**-**	17.85
Others	**0.07**	1.06
Consideration for the Transfer of Assets		
Clariant India Limited	**-**	89.01
Consideration for the sale of ICS Business [Refer note: 46(a)]		
Clariant India Limited	**-**	4200.00
Services Received		
Clariant India Limited	**316.12**	352.22
Clariant Polska, Sp. z.o.o.	**925.92**	113.33
Clariant Services (Poland) Sp. Z.o.o.	**132.58**	-
Clariant (Australia) Pty. Ltd.	**-**	0.92
Clariant (Gulf) FZE	**-**	0.16
Others	**13.56**	-

	Year ended 31-03-17 ₹ Lakhs	15 Months ended 31-03-16 ₹ Lakhs
(iii) Key management personnel :		
Executive Directors		
Short-term employee benefits	**620.83**	957.21
Post-employment benefits	**20.85**	33.32
Employee share-based payment	**56.90**	41.65
Total Remuneration	**698.58**	1032.18
Non-Executive Directors		
Sitting Fees	**23.55**	26.50
Commission	**20.00**	20.00
Total	**43.55**	46.50

	31-03-17 ₹ Lakhs	31-03-16 ₹ Lakhs	01-01-15 ₹ Lakhs
(iv) Balances outstanding as at the year / period end :			
Principal Shareholders :			
Trade payables	**1980.82**	335.06	1387.12
Trade receivables	**490.86**	3.08	181.51
Fellow Subsidiares :			
Trade payables	**1699.77**	2327.78	394.09
Trade receivables	**4457.76**	4748.35	4225.84
Key Management Personnel :			
Payable balance	**128.49**	197.05	174.44

45 Segment information :

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

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

(i) Plastics & Coatings :

Includes pigments, pigment preparations, additives and masterbatches.

(ii) Specialty Chemicals :

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

(b) During the year the Company has renamed it's Segment names from "Pigments and Colors" to "Plastics and Coatings" and "Dyes and Specialty Chemicals" to "Specialty Chemicals".

(c) 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	Year ended 31-03-17 ₹ Lakhs			15 Months ended 31-03-16 ₹ Lakhs		
	Plastics and Coatings	**Specialty Chemicals**	**Total**	Plastics and Coatings	Specialty Chemicals	Total
Revenue						
External sales	**95017.50**	**6968.66**	**101986.16**	107993.45	10819.66	118813.11
Results						
Segment results	**5205.37**	**498.78**	**5704.15**	3857.29	730.03	4587.32
Unallocated corporate expenses (Net)			**(2095.55)**			(76.89)
Operating profits			**3608.60**			4510.43
Interest Income			**66.46**			588.68
Finance costs			**(46.27)**			(72.50)
Profit before taxation from continuing operations			**3628.79**			5026.60
Current tax			**(1444.50)**			(194.09)
Deferred tax			**263.77**			(1084.12)
Tax adjustments of prior years (net)			**-**			342.69
Profit from continuing operations after tax			**2448.06**			4091.08
Profit from discontinued operations before tax			**-**		2341.37	2341.37
Tax expense of discontinued operations			**-**		(495.52)	(495.52)
Profit from discontinued operations after tax			**-**			1845.85
Profit for the period			**2448.06**			5936.93

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

(e) 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.

Segment Assets and liabilities	31-03-17 ₹ Lakhs			31-03-16 ₹ Lakhs		
Particulars	**Plastics and Coatings**	**Specialty Chemicals**	**Total**	Plastics and Coatings	Specialty Chemicals	Total
Segment assets	**71799.38**	**1118.34**	**72917.72**	73240.92	763.26	74004.18
Unallocated corporate assets			**20402.66**			16171.31
Total assets			**93320.38**			90175.49
Segment liabilities	**21201.40**	**-**	**21201.40**	18268.59	64.66	18333.25
Unallocated corporate liabilities			**4826.61**			4899.57
Total liabilities			**26028.01**			23232.82

(f) 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.

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

(i) India

(ii) Outside India

Geographical segment information	Year ended 31-03-17 ₹ Lakhs			15 Months ended 31-03-16 ₹ Lakhs		
Particulars	**India**	**Outside India**	**Total**	India	Outside India	Total
External sales from continuing operations	**80115.84**	**21870.32**	**101986.16**	91966.09	26847.02	118813.11
Non-current assets	**41379.15**	**-**	**41379.15**	42809.15	-	42809.15

(h) Non-current assets exclude financial assets.

(i) Revenues of approximately ₹ **20182.46** Lakhs (31.03.16 : ₹ 24004.57 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.

46 Discontinued Operations

(a) The Company executed the Business Transfer Agreement on July 31, 2015 and has sold/transferred on August 01, 2015 the business of Industrial and Consumer Specialties (ICS), included in the Specialty Chemicals (earlier known as Dyes and Specialty Chemicals) Segment, along with employees, assets, liabilities and including all licenses, permits, consents and approvals on a going concern basis by way of a slump sale on a "as is where is basis" to Clariant India Ltd. for an aggregate consideration of ₹ 4200.00 Lakhs. The profit on sale of the ICS business amounting to ₹ 2656.23 Lakhs is shown under "Exceptional Items, credit (net)" (Refer note 33). The Capital Gains tax arising from the transaction is included in "Tax Expense of discontinued operation".

(b)	Necessary information relating to the discontinued operations is as follows	
		15 months ended 31-03-16 ₹ Lakhs
	Revenue	3802.00
	Expenditure	4116.86
	(Loss) before tax	(314.86)
	Tax expenses	(107.00)
	(Loss) after income tax	(207.86)
	Gain on sale of the business after tax (see (c) below)	2053.71
	Profit from discontinued business	1845.85
	Net cash from operating activities	(429.56)
	Net cash from investing activities	4234.44
	Net cash from financing activities	-
	Net increase in cash generated from discontinued operations	3804.88
(c)	Details of the sale of the business	
	Consideration received :	
	Cash	4200.00
	Carrying amount of net assets sold	1543.77
	Profit on sale before tax	2656.23
	Income tax expenses on gain	602.52
	Profit on sale after tax	2053.71
(d)	The carrying amount of assets and liabilities as at the date of sale (August 01, 2015) were follows:	
		01-08-15 ₹ Lakhs
	Property, plant and equipment	389.73
	Trade receivables	1398.74
	Other current assets	1060.65
	Total Assets	2849.12
	Trade Payables	1208.75
	Other current liabilities	96.60
	Total liabilities	1305.35
	Net Assets	1543.77

47 Business combinations

The Company after obtaining necessary approvals from the Board of Directors, vide an agreement dated March 31, 2015, acquired the "Carbon Black Business" from Lanxess India Private Limited (Lanxess) effective close of business hours on March 31, 2015, comprising the Carbon Black Dispersion plant located at Nagda, India, together with its respective assets, liabilities and employees as a going concern on a slump sale basis for a lump sum consideration of ₹ 1345.66 Lakhs (including non compete fees) after working capital adjustment, as at March 31, 2015. The excess of consideration paid to Lanxess over the fair value of net assets acquired is considered as goodwill amounting to ₹ 894.11 Lakhs. Goodwill recognised is on account of control premium, benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

This acquisition of business was strategic for the Company for survival of its current business in similar products. Entire consideration has been paid to the acquiree in cash. Since the Company has not obtained control on any cash and cash equivalent, the net cash outflow in the acquisition of the business is equal to the consideration paid. Company has not incurred any significant cost towards acquisition of this business.

Company's current business and acquired business is in similar products and therefore Company does not maintain separate records for the acquired business. Hence it is impraticable to disclose the the revenue and profit or loss of the combined business as though the acquisition date for business combination that occurred during the previous period was April 01, 2015.

Assets and liabilities recognised at the date of acquisition are as follows:

	₹ Lakhs
Current assets	
Trade and other receivables	73.13
Inventory	75.93
Non-current assets	
Property, plant and equipment	323.84
Intangible asset - Non compete Fees	53.00
Current liabilities	
Trade and other payables	(72.51)
Other provisions	(1.84)
Net assets acquired	451.55
Calculation of goodwill:	
Consideration transferred	1345.66
Less: Net assets acquired	451.55
Goodwill	894.11

48 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

A. Equity as at 01-01-15 and 31-03-16

B. Net profit for the 15 months and year ended 31-03-16

C. Explanations for reconciliations

48A Reconciliation of the balance sheet as previously reported under IGAAP to Ind AS

₹ Lakhs

Particulars	Notes	Opening Balance Sheet as at 01-01-15			Balance Sheet as at 31-03-16		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
Assets							
Non-current assets							
(a) Property, plant and equipment		29183.11	-	29183.11	31343.38	-	31343.38
(b) Capital work-in-progress		1318.01	-	1318.01	497.19	-	497.19
(c) Investment property		1.35	-	1.35	1.29	-	1.29
(d) Goodwill	**1**	3129.54	-	3129.54	3511.32	512.33	4023.65
(e) Other intangible assets		1188.81	-	1188.81	1095.50	-	1095.50
(f) Financial assets							
(i) Investments	**2**	717.09	333.20	1050.29	667.09	500.05	1167.14
(ii) Loans	**3**	1308.39	(134.35)	1174.04	1320.62	(102.65)	1217.97
(g) Other non-current assets	**3**	2198.48	100.23	2298.71	804.99	65.08	870.07
(h) Non-current tax assets (Net)		3919.81	-	3919.81	4978.07	-	4978.07
Total non-current assets		42964.59	299.08	43263.67	44219.45	974.81	45194.26
Current assets							
(a) Inventories		16334.70	-	16334.70	14212.87	-	14212.87
(b) Financial assets							
(i) Investments	**2**	2584.37	79.00	2663.37	6230.07	-	6230.07
(ii) Trade receivables		16367.86	-	16367.86	17662.23	-	17662.23
(iii) Cash and cash equivalents		100562.18	-	100562.18	2087.80	-	2087.80
(iv) Bank balances other than (iii) above		583.16	-	583.16	801.61	-	801.61
(v) Loans		196.19	-	196.19	45.83	-	45.83
(vi) Other financial assets		146.97	-	146.97	55.26	-	55.26
(c) Other current assets	**3**	4500.25	28.12	4528.37	3858.57	28.12	3886.69
Total current assets		141275.68	107.12	141382.80	44954.24	28.12	44982.36
Total assets		184240.27	406.20	184646.47	89173.69	1002.93	90176.62
Equity and liabilities							
Equity							
(a) Equity share capital		2666.07	-	2666.07	2308.18	-	2308.18
(b) Other equity	**9**	136935.54	381.39	137316.93	60848.67	3785.83	64634.50
Total equity		139601.61	381.39	139983.00	63156.85	3785.83	66942.68

₹ Lakhs

Particulars	Notes	Opening Balance Sheet as at 01-01-15			Balance Sheet as at 31-03-16		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
Liabilities							
Non-current liabilities							
(a) Provisions		1104.10	-	1104.10	701.85	-	701.85
(b) Deferred tax liabilities (Net)	**2,3,4**	1040.21	24.81	1065.02	2103.38	(4.82)	2098.56
Total non-current liabilities		2144.31	24.81	2169.12	2805.23	(4.82)	2800.41
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		945.45	-	945.45	-	-	-
(ii) Trade payables		14564.26	-	14564.26	14626.58	-	14626.58
(iii) Other financial liabilities		3562.53	-	3562.53	2855.59	-	2855.59
(b) Other current liabilities		1297.48	-	1297.48	1306.53	-	1306.53
(c) Provisions	**5**	693.56	-	693.56	3639.29	(2778.08)	861.21
(d) Current tax liabilities (Net)		21431.07	-	21431.07	783.62	-	783.62
Total current liabilities		42494.35	-	42494.35	23211.61	(2778.08)	20433.53
Total equity and liabilities		184240.27	406.20	184646.47	89173.69	1002.93	90176.62

48B Reconciliation of the statement of profit and loss as previously reported under IGAAP to Ind AS

Particulars	Notes	15 months ended 31-03-16		
		IGAAP ₹ Lakhs	Effects of transition to Ind AS ₹ Lakhs	Ind AS ₹ Lakhs
Continuing operations				
Revenue from operations :		122860.92	-	122860.92
Other income	**2,3**	3719.12	(47.30)	3671.82
Total revenue		126580.04	(47.30)	126532.74
Expenses :				
Cost of materials consumed		63273.30	-	63273.30
Purchase of stock-in-trade		9936.23	-	9936.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade		918.03	-	918.03
Excise duty		8865.19	-	8865.19
Employee benefits expense	**6, 7**	10475.92	146.59	10622.51
Finance costs		72.52	-	72.52

Particulars	Notes	15 months ended 31-03-16		
		IGAAP ₹ Lakhs	Effects of transition to Ind AS ₹ Lakhs	Ind AS ₹ Lakhs
Depreciation and amortisation expense	1	5517.79	(512.33)	5005.46
Other expenses	3	22777.74	35.15	22812.89
Total expenses		121836.72	(330.59)	121506.13
Profit before exceptional items and tax		4743.32	283.29	5026.61
Exceptional items, debit (net)				
Others	8	302.75	(302.75)	-
Profit before tax		4440.57	586.04	5026.61
Tax expense :				
Current tax		194.09	-	194.09
Deferred tax	4	1148.29	(64.17)	1084.12
Tax adjustments of prior years (net)		(342.69)	-	(342.69)
		999.69	(64.17)	935.52
Profit from continuing operations		3440.88	650.21	4091.09
Profit from discontinued operations before tax (Including exceptional items,credit)		2341.37	-	2341.37
Tax expenses of discontinued operations		495.52	-	495.52
Profit from discontinued operations after tax		1845.85	-	1845.85
Profit for the year		5286.73	650.21	5936.94
Other comprehensive income (net of tax) (Items that will not be reclassified to profit or loss)				
Remeasurement of the defined benefit plans	7	-	99.80	99.80
Equity Instruments through other comprehensive income	1	-	166.85	166.85
Income tax relating to Items that will not be reclassified to profit or loss	4	-	(34.54)	(34.54)
		-	232.11	232.11
Total comprehensive income for the period		5286.73	882.32	6169.05

48C Explanations for reconciliation of balance sheet and profit and loss as previously reported under IGAAP to INDAS

1 Goodwill

Goodwill is not amortised since transition to Ind AS, but tested for impairment at the balance sheet date under Ind AS compared to it being amortised over the period of 5 years under IGAAP.

2 Investment

Investments in mutual funds are carried at fair value through profit and loss under Ind AS compared to being stated at lower of cost and fair value under IGAAP. The corresponding deferred tax liability has been recognised and disclosed under Deferred tax liabilities (Net)

Investment in equity instruments are carried at fair value through OCI under Ind AS compared to being stated at cost less diminution in value, other than temporary under IGAAP.

3 Other financial assets and current assets - Loans

Long term deposits paid for renting of premises are measured at their fair value at initial recognition and subsequently at amortised cost. Under IGAAP, these financial assets were carried at transaction price. The difference of fair value and the transaction price is debited to the unamortised rent expenses which is amortised as rent expenses over the lease term on straight line basis. The corresponding deferred tax liability has been recognised and disclosed under Deferred tax liabilities (Net).

4 Deferred tax liabilities (Net)

Under Ind AS, deferred tax is calculated using balance sheet approach comparing the tax base with book balance after considering the adjustments on account of transition to Ind AS and other tax effects shown in notes 2,3 and 7.

5 Provisions

Under Ind AS, dividend on equity shares (including corporate dividend tax) are recognised when declared by the shareholders in the Company's annual general meeting as compared to its recognition in the financials statement as a liability when recommended by the Board of directors after end of the reporting period. Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

6 Employee sharebased payments

Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the shares as on the grant date. Under IGAAP, such cost was not recognised in the statement of profit and loss since the share based payments transaction was at the parent company level.

7 Employee benefit cost

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and is recognised in other comprehensive income. Under IGAAP, actuarial gains and losses were recognised in profit or loss. Consequently, the deferred tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

8 Expenses on buy back of shares

Under Ind AS, expenses incurred for buy back of equity shares are accounted as reduction from equity. Under IGAAP, these expenses had been charged to statement of profit and loss under the head 'exceptional items'.

9 Other equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

49 Details of Specified Bank Notes (SBN) and other SBNs held and transacted during the period from November 08, 2016 to December 30, 2016.

₹ Lakhs

Particulars	SBNs	Other denomination notes	Total
Cash balance as on 08.11.2016	1.52	1.33	2.85
(+) Permitted receipts	-	5.78	8.63
(-) Permitted payments	-	4.88	3.75
(-) Amount deposited in Bank	1.52	-	2.23

₹ Lakhs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 30.12.2016	**-**	**2.23**	**2.23**

50 Pursuant to change in accounting year of the Company from January-December to April-March with effect from 01-01-15, the figures for the twelve months ended 31-03-17 are not directly comparable with those of the 15 months period ended 31-03-16.

In terms of our report attached

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

Arvind Daga
Partner

Membership No. 108290

Navi Mumbai, 23rd May, 2017

For and on behalf of the Board,

K. Handa	Chairman DIN:00056826
D. Parikh	Vice- Chairman & Managing Director DIN:06504537
S. Talukdar	Director DIN:00920608
S. Ghadge	Chief Financial Officer
A. Joshi	Company Secretary Membership No. A22502

Navi Mumbai, 23rd May, 2017

FINANCIAL PERFORMANCE 10 Years' Highlights

₹ Millions

		Financial Year Ended 31stMarch			Financial Year Ended 31st December						
		2017	**##2016**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
I	**Operating Result**										
	Gorss Sales	**10,198.6**	11,881.3	10,824.8	12,900.1	11,459.9	10,158.6	10,347.6	9,732.2	10,014.5	9,517.1
	Gross Earning Before Depreciation/Impairment and Taxation+	**757.7**	1,237.3	370.6	1,369.8	1,547.1	1,722.0	1,895.1	2,079.4	1,375.7	1,021.3
	Profit Before Taxation#	**362.9**	736.8	11,874.1	2,257.8	1,423.1	3,954.1	1,653.2	1,631.1	1,072.9	493.3
	Profit After Taxation	**244.8**	593.7	9,433.2	1,667.7	1,013.0	3,040.4	1,124.2	1,081.4	674.8	317.9
	Equity Dividend	**577.1**	3,963.3	1,039.8	799.8	733.2	1,599.6	799.8	666.5	506.6	266.6
II	**Financial Position**										
	Gross Fixed Assets@	**3,932.4**	4,199.6	5,520.4	4,051.8	4,088.3	3,944.1	3,554.8	3,556.6	3,985.1	3,819.6
	Net Fixed Assets@	**3,537.6**	3,699.0	3,640.9	2,041.7	1,879.7	1,853.8	1,592.4	1,527.3	1,646.0	1,719.1
	Investments	**1,124.8**	739.7	330.1	2,674.0	2,346.5	2,665.1	1,918.4	1,245.0	578.4	294.3
	Net Current Assets	**2,066.9**	2,255.5	10,187.6	1,100.2	842.8	383.0	159.8	698.5	1,008.3	1,164.8
	Equity	**230.8**	230.8	266.6	266.6	266.6	266.6	266.6	266.6	266.6	266.6
	Reserves	**6,498.4**	6,463.5	13,693.6	5,476.9	4,748.5	4,587.7	3,404.4	3,211.3	2,909.8	2,827.6
	Shareholders' Fund	**6,729.2**	6,694.3	13,960.2	5,743.5	5,015.1	4,854.3	3,671.0	3,477.9	3,176.4	3,094.2
	Loans and Deferred Payment Credits	**-**	-	94.5	-	-	2.0	10.5	20.5	30.9	40.7
	Capital Employed	**6,729.2**	6,694.3	14054.7	5,743.5	5,015.1	4,856.3	3,681.5	3,498.4	3,207.3	3,134.9
III	**Per Equity Shares**										
	Earning ₹#	**10.61**	23.42	353.82	62.55	38.00	114.04	42.16	40.56	25.31	11.92
	Interim + Proposed Dividend	**25.0**	150.0	39.0	30.0	27.5	60.0	30.0	25.0	19.0	10.0

\# After exceptional items.

\+ Before exceptional items.

@ Include capital advances.

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

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