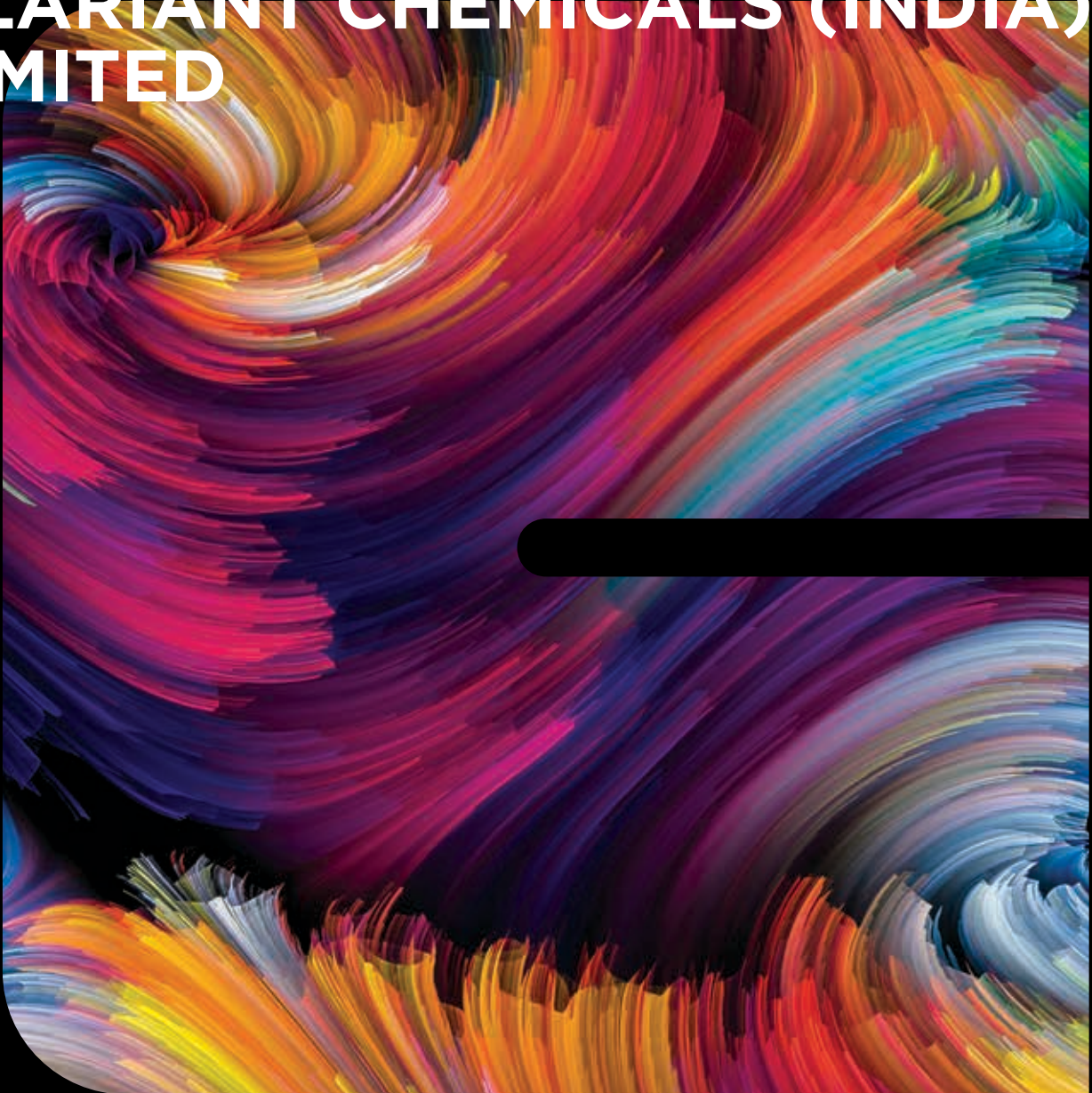


Annual Report 2017-18
**CLARIANT CHEMICALS (INDIA)
LIMITED**





the essence of **DISCOVER VALUE**

Clariant is discovering value through innovation and is meeting the growing demands with its state-of-the-art technology. The image on the cover represents a dynamic pattern of vibrant colors, constantly evolving and moving forward with an intent to create fascinating forms! That is Clariant – always in a state of continuous evolution and momentum – driven by innovative and sustainable products and solutions.

Because only when we understand what is precious to our customers in today's changing market, can we present a better tomorrow in a new paradigm.

Our Annual Report this year tries to encapsulate some of our innovations which are increasingly important to tap the growing opportunities. This is the essence of Discover Value which for us is at the heart of everything we do to offer competitive solutions to all of our stakeholders.

Content

02	Board of Directors
04	The Essence of Discover Value
07	Discover Value in India
09	Community Outreach
10	Awards & Accolades
11	Financial Performance
13	Notice
18	Directors' Report
43	Management Discussion and Analysis
49	Report on Corporate Governance
62	Auditors' Report
68	Balance Sheet
69	Statement of Profit and Loss
70	Statement of Changes in Equity
71	Cash Flow Statement
73	Notes
111	10 Years' Highlights

Board of **DIRECTORS**



KEWAL HANDA
Chairman



ADNAN AHMAD
Vice - Chairman &
Managing Director



SUNIRMAL TALUKDAR
Director



DR. (MRS.) INDU SHAHANI
Director

CHIEF FINANCIAL OFFICER
Sanjay Ghadge

COMPANY SECRETARY
Amees 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



KARL HOLGER DIERSSEN
Director



ALFRED MUENCH
Director



MARIO BROCCHI
Director

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

The essence of **DISCOVER**

VALUE

At Clariant, Discover Value lies at the heart of everything we do! It is an important aspect of the business model which is based on the three value creating dimensions of Performance, People & Planet; transforming diverse resources into innovative solutions, sustainable products that create value for all stakeholders and build stronger relationships. It is the driving force that is motivating us to look deeper and discover something new for ourselves, for our customers, for our shareholders and for the world around us; by focusing on Performance, commitment to invest in People with ethical and sustainable operations that care for our Planet.

Discovering and bringing new solutions to the market helps drive Clariant's growth. We are constantly developing new products and services that cater to our client's ever-changing needs. In this dynamic market, we constantly innovate to stay ahead of the curve and focus on manufacturing and creating value in India – for India and for global.

The market segments that we cater to:



HEALTHCARE

Our healthcare polymer solution - Mevopur® standard color range helps reduce development time and supports risk management by avoiding color matching process and creates pre-evaluated ingredients for masterbatches.

Standard color range include colors for needle hubs and ophthalmic closure colors.

Our range of Remafin®, white masterbatches are targeted for the use in production of

pharmaceutical containers for parenteral, ocular, and nasal drugs.

Many of our PV Fast™ and Graphtol® range of pigments are FDA approved and used in coloration of healthcare packaging.

Clariant and SICPA jointly developed – Plastiward™, a complete in-plastic solution that effectively protects from counterfeiting and dilution.



INFRASTRUCTURE

Clariant offers a comprehensive range of organic pigments and pigment preparations for indoor and outdoor coatings, allowing us to deliver tailor-made solutions for the building and construction industries, using products with an improved environmental profile.

Our masterbatches are used in solar panels, ensuring their longevity and durability.

By using thinner insulation boards made possible with our masterbatches technology, buildings ensure maximum living space, which results in saving of material used and the production cost too.

Our non-halogenated flame retardants provide environmentally more compatible protection for buildings, as well as for materials used in airplanes, trains, buses and ships. Clariant's flame retardants are all marketed under the trade name Exolit®.



AGRICULTURE

Our range of Agrocer® organic pigments in powder form provide high color strength and extraordinary fastness that is recommended for the coloration of seeds. It is highly suitable for use in seed treatment pesticide formulations.

Our CESA® range of UV and light stabilizer additives are used for agricultural films, lawn and garden equipment and many other products used outdoors.

Also, PVC irrigation pipes become more durable and strong with our additives and masterbatches.



CONSUMER GOODS

Clariant's comprehensive line of additive masterbatches offers unprecedented opportunities to improve the properties, performance and quality of finished products, while optimizing productivity and costs in washing machines, dryers, fridges/freezers, dishwashers, small household electrical appliances, computers, consumer electronics/ power tools.

Our product line include an exceptionally broad selection of standard additive masterbatches for use with all commercially available polymers.

We offer Low Halogen Controlled (LHC) colorants for the electronics industry.

Our combimasterbatches enhance the performance of color by taking care of the functional requirements, such as UV stability and anti-static requirements.



PRINTING AND PACKAGING

We offer liquid inkjet ink dispersion, which helps customers to offer suitable and cost effective product in the market.

Our range of pigments used for packaging of sensitive application like food or cosmetics follow all the global as well as local regulations. We are committed to eco-friendly processes and product safety for food packaging.

Our masterbatches ensure safe and compliant packaging solutions for all products.

Ceridust™ range of micronized waxes are specially designed for efficient and durable printing on packaging films and our special additive 'Addworks™ PKG' range helps to improve productivity in packaging films.



TRANSPORTATION

Our Phthalate free pigments are used in synthetic leather applications for automotive interiors. Our colored masterbatches provide attractive surface effects and higher process efficiency.

Additionally, our anti-static solutions minimize dust accumulation on surfaces hence maintaining the aesthetics of automobiles.

Our masterbatches are used in interiors that prevent the plastics degrading due to temperature fluctuation or hydrocarbon exposures.



FIBERS

Our range of additives and masterbatches for various fiber application like carpets, clothing and automotive interior offer excellent fastness to weathering, easy to handle granular form, improved process ability and fibers spin ability with no fibers discoloration.

Our Exolit® range of organic non-halogenated phosphorus flame retardant, specially designed for incorporation into viscose fibers gives low

impact on whiteness and light stability for treated textiles.

Our range of waxes enables processing of sole carrier for better and faster dispersion of colorants, additives and fillers, high loadings and outstanding dispersion when used as a carrier for masterbatches resulting in low energy input with excellent adhesion properties combined with insignificant residual tack and maximum cohesion.



HOME AND PERSONAL CARE

Clariant offers colorants for use in personal care formulation, fulfilling the specific needs for rinse-off applications: liquid and bar soap, shower and bath, shampoo and conditioner; for oral care applications: toothpaste, mouth re-freshener and for leave-on applications: skin cleansing, creams, masks and decorative cosmetics.

Our whitening dyes find application in detergent, offering whiter, brighter, long lasting

clothes with less usage of water. Our solutions are excellent corrosion inhibitor offering excellent protection of steel and aluminum.

Our functional waxes – Licowax™ are used in shoe shines and offer greater water repellence, with good paste-forming properties with organic hydrocarbon solvents.

Discover Value IN INDIA

ANTIBACTERIAL PACKAGING FOR EDIBLE OIL

We partnered with multiple Indian edible oil companies for providing packaging solutions. Clariant developed antibacterial packaging using our **Remafin®** and **CESA®** brands of Masterbatches. Clariant also enabled the different brands to achieve visual differentiation by color-matching of the packaging. These Masterbatches are manufactured at our Vashere site in Maharashtra.

CESA® antimicrobial Masterbatches inhibit the growth of micro-organisms, thereby helping prevent unpleasant odors, discoloration and surface degradation of the packaging. Our product helps in extending the shelf life of the product, by offering long-lasting safety features of the packaging material. Also, the inorganic antimicrobial variant is non-toxic, non-corrosive and has zero impact on plastic processing, during the fabrication of the packaging. This enables the brand to offer a truly sustainable and safe product to the consumers.



NON-STAINING SOLUTIONS FOR DETERGENT

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

A leading detergent bar brand partnered with Clariant to replace polymeric dyes by offering a localized product solution **Sanolin™ Blue AS NBL liq IN**. This helps the customers to have a cost efficient product that is locally produced. This product is manufactured at our Roha site in Maharashtra.

The **Sanolin™ Blue AS NBL liq IN** is based on water soluble dyes. Most importantly, our product is positively listed in Bureau of Indian Standard (IS 4707 part 1). These have a non-staining effect, thus leaving the fabric brighter and whiter.



COLORANTS FOR TRANSPARENT SOAPS

An Indian FMCG major brand entered the soap industry with the launch of transparent gel bars. Clariant's BU Pigments partnered with this brand and helped revolutionize this product with its **Cosmenyl™** grants range of pigment preparations.

Our customized solution overcame the challenges and offered colors having better light and weather fastness (as compared to dyes), without disturbing the transparency feature of soaps. In addition, our range of **Cosmenyl™** grants can be offered for pigment dispersions, thereby replacing dyes and maintaining the product chemistry.

Sustainability and safety being at the core of Clariant's priorities, all the pigments used in this application are positively listed in Indian Standard IS 4707 - Part I and also qualify for use under the EU Cosmetic regulations. They meet strict specifications for heavy metal and aromatic amine contents, as well as for microbiological purity.



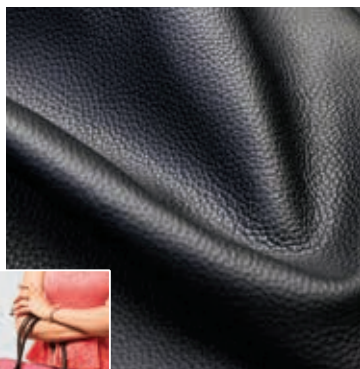


SAFE COLORS FOR SOAP BARS

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

Clariant's **Flexonyl®** Orange R replaces two different colorants earlier used by them. With this, they achieved cost benefits as the color dosage has now reduced. This versatile product can also be applied to shower gels as well as shampoo applications, making it possible to partner with a large number of brands and yet offer tailored products.

The **Flexonyl®** range of pigment dispersions are sustainable, free of heavy metals and other banned primary aromatic amines. Most importantly, our **Flexonyl®** range consists of those colors that are positively listed on IS 4707 (Part 1), i.e. deemed safe and compliant by the BIS. This product is manufactured at our Roha site in Maharashtra.

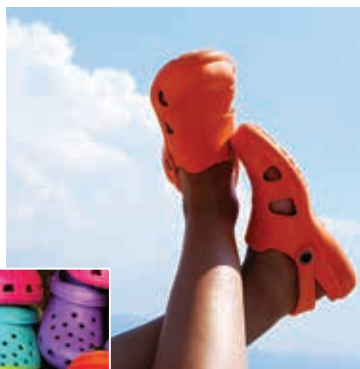


POLYFAST PIGMENTS FOR COLORATION OF SYNTHETIC LEATHER

Clariant offers a range of **PolyFast** pigment preparations for coloration of PVC plasticized, PVC artificial leather cloth, PU foam or sole. Our range of products have been developed for synthetic leather industry to offer a sustainable & eco-friendly product range.

Clariant Pigment preparations range **PolyFast** ensures compliance with the environment. It also supports Swachh Bharat Abhiyan (Clean India Mission), that aims at having a clean environment and reducing the pollutants.

PolyFast pigment preparations are a dust free solution to the customer's coloring needs. They improve energy efficiency and help in waste reduction. Our products are free from phthalates, heavy metals and banned aromatic amines. They are compliant with ROHS & Oeko Tech. They are used in fabrics, footwear, clothing, upholstery and other areas where leather is required but the material is unsuitable or cost excessive. Our product is easily dispersible, ensures high speed production with dust reduction, improving the waste reduction and further getting more markets in our Clariant product portfolio.



POLYBOND PREPARATIONS FOR COLORATION OF EVA FOOTWEAR

Polybond pigment preparations are dust free solutions for customer's coloring needs. It improves energy efficiency and helps waste reduction. Our products are organic pigment concentrates based on EVA polymer. It is used across the categories of EVA footwear and EVA molded article.

Clariant pioneered a new concept with organic pigment concentrates based on EVA polymer. These products are compatible with each other and thereby offer possibility to create a huge pallet of shades. They offer an advantage of high throughput for new generation injection molding machines.

This is an example of value addition of a product to fulfill the customers' needs. Our product is easily dispersible, facilitates convenient handling, ensures high speed production in molding machines with dust reduction, enabling waste reduction and further penetrating into more market areas thereby widening Clariant's product portfolio.