

Annual Report 2018-19

CLARIANT CHEMICALS (INDIA) LIMITED



what is precious to you?



Performance, People and Planet **OUR TRANSFORMATIONAL VALUES**

Clariant's brand values – Performance, People, and Planet help us convert resources into innovative sustainable solutions. These values are enablers to achieve a balance between business performance, social interests and environmental targets.

This year's Annual Report highlights our focus on the main threads of Safety, Customer Experience, Research, Innovation and Operational Excellence. This focus enables us to improve our effectiveness in optimization, from manufacturing to improved customer experience, with tailor-made value added offerings.

We have set the wheels in motion to stay focused on the needs of customers while continuing to offer our employees a great place to work, delivering value to our shareholders, and giving back to society through responsible corporate behavior and CSR spend. Staying in touch with megatrends and evolving market drivers, we strive to stay at the top of our customers' mind when they think of Specialty Chemicals.

We believe that India is at the cusp of transforming itself into a vibrant and dynamic developed economy. As a global company, Clariant aspires to be a part of the India growth story. Our keen sense of Discovering Value across our portfolio is the driving force to help us prepare for a better tomorrow – not just for ourselves, but also for all our stakeholders.

Content

02	Board of Directors
04	Vision, Mission and Values
06	Market Segments
09	Discover Value in India
10	Building our Community
11	Awards & Accolades
12	Financial Performance
13	Notice
21	Directors' Report
42	Management Discussion and Analysis
48	Report on Corporate Governance
64	Auditors' Report
72	Balance Sheet
73	Statement of Profit and Loss
74	Statement of Changes in Equity
75	Cash Flow Statement
77	Notes
116	10 Years' Highlights

Board of **DIRECTORS**



KEWAL HANDA
Chairman



ADNAN AHMAD
Vice - Chairman &
Managing Director



SUNIRMAL TALUKDAR
Director



DR. (MRS.) INDU SHAHANI
Director



KARL HOLGER DIERSSEN
Director (till May 31, 2019)



ALFRED MUENCH
Director



THOMAS WENGER
Director

CHIEF FINANCIAL OFFICER

Sanjay Ghadge

COMPANY SECRETARY

Amee Joshi

AUDITORS

Price Waterhouse
Chartered Accountants LLP

BANKERS

Standard Chartered Bank
Citibank N.A.

**REGISTRAR &
TRANSFER AGENTS**

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

REGISTERED OFFICE

Reliable Tech Park
Gut No. 31, Village Elthan
Off Thane - Belapur Road
Airoli, Navi Mumbai - 400 708
Maharashtra
Phone: +91 22 7125 1000
Email: investor.relations_India@clariant.com

WORKS

113/114, M.I.D.C. Industrial Area
A.V.P.O. Dhatav, Taluka Roha
District Raigad - 402 116
Maharashtra

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

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

Kudikadu, SIPCOT Post
Cuddalore - 607 005
Tamil Nadu

VISION, MISSION AND VALUES

BRAND VALUES WITH A FOCUS ON PERFORMANCE, PEOPLE AND PLANET

Clariant aspires to be the globally leading company for specialty chemicals and to stand out through above-average value creation for all stakeholders.

To bring this vision to fruition in the context of the drivers of Clariant's external environment, the company builds and maintains leading positions in its businesses and strives for functional excellence in innovation, commercialization and operations as part of its corporate culture.

Clariant's vision is underpinned by its mission to create value by appreciating the needs of:

CUSTOMERS

– by providing competitive and innovative solutions

EMPLOYEES

– by adhering to corporate values

SHAREHOLDERS

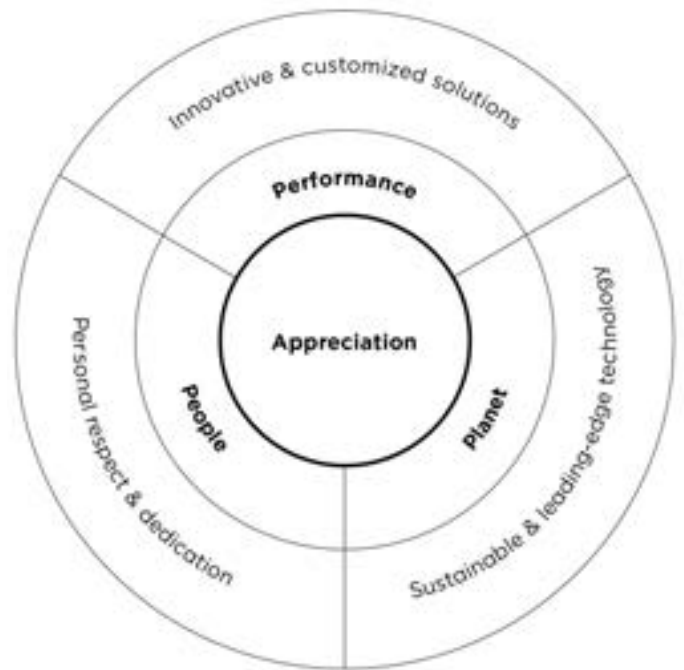
– by achieving above-average returns

THE ENVIRONMENT

– by acting sustainably

Clariant believes strongly that its brand essence » **appreciation** « is a key driver for successful value creation.

For Clariant, appreciation means putting values at the center of everything the company does in each area where it is active or has an influence: performance, people and the planet.



PERFORMANCE: Clariant appreciates its customers by striving for exceptional performance and offering innovative, customized, high-quality solutions.

PEOPLE: Clariant expresses appreciation toward its stakeholders and employees with its unflagging commitment to transparency and integrity and by fostering a culture of dialog and mutual respect.

PLANET: Clariant embodies appreciation of the planet by protecting the environment and safeguarding natural resources. By using sustainable, cutting-edge technologies, Clariant meets the most stringent standards and sets new benchmarks in the industry.

CORPORATE VALUES FOR SUSTAINABLE VALUE CREATION

Cultivating a corporate culture that balances business performance, social commitments, and environmental targets, while also upholding the goals of all stakeholders, is essential for generating value and sustainable growth.

Therefore, appreciation is embedded throughout the company's culture and its six corporate values, which define expectations of employee behaviors and build the company's reputation and brand:

1. **Drive for Excellence:** Clariant goes for the highest standards to profitably meet customer needs and challenges its achievement for more.
2. **Disciplined Performance Management:** People at Clariant set – and ask for – clear direction and challenging but achievable targets. They give – and ask for – open feedback on measured progress.
3. **Deliver to Promise:** Clariant counts on self-driven employees, who fully leverage their true capabilities and do not over-promise or under-deliver.
4. **Courageous and Decisive Leadership:** Clariant supports risk taking and acceptance of failure while learning from results and chooses the best people for the right places.
5. **Lived Appreciation:** People at Clariant acknowledge strength and advise on areas for improvement. They acknowledge outstanding contributions and celebrate success.
6. **Corporate Responsibility:** People at Clariant care for the welfare of all stakeholders, protect the environment and respect communities. They never cut short a safety procedure and live Clariant's Code of Conduct.



Clariant's Five Pillar Strategy OUR WAY TO MEET OUR OBJECTIVES

1

FOCUS ON
INNOVATION
AND R&D

2

ADD VALUE WITH
SUSTAINABILITY

3

REPOSITION
PORTFOLIO

4

INTENSIFY
GROWTH

5

INCREASE
PROFITABILITY

PEOPLE EXCELLENCE

ADDITIVES



INFRASTRUCTURE

Clariant's flame retardants are all marketed under the trade name Exolit®. Light stabilizer solutions contribute to making both the coatings and the substrates they protect more resistant to the highly exposed conditions.



PRINTING AND PACKAGING

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.



AGRICULTURE

AddWorks™ AGC offers solution to protect greenhouse film and extend its service life and optimize the light transmission required to grow UV sensitive crops.



CONSUMER GOODS

Exolit® range of products are non-halogenated flame retardant based on phosphorus chemistry, which develops its effectiveness through phosphorus/nitrogen synergism.

When incorporated into thermoplastics, it exhibits high processing stability. The carbon foam layer protects the polymer through its heat-insulating effect, reduces further oxygen access and prevents dripping of the thermoplastic.



HOME AND PERSONAL CARE

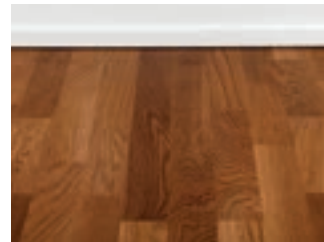
Our functional waxes–Licowax™ are used in shoe shines and offer greater water repellence, with good paste-forming properties with organic hydrocarbon solvents.



FIBERS

AddWorks™ TFB 117 improves color and both thermal and UV stability thereby giving synergistic stabilizing solution.

PIGMENTS



INFRASTRUCTURE

Our products extend from traditional solvent-borne wood stains and clear wood finishes, to environmentally friendly systems such as waterborne and UV-curable wood coatings.

Hostafine® pigment preparations are suitable for water-based transparent wood stains. They can also be used for other applications such as aqueous emulsion paints, glass paints, water-colors, latex and water-resistant inks.



PRINTING AND PACKAGING

Clariant offers a wide range of standard colorants and high-performance pigments for packaging inks. Our comprehensive portfolio allows our customers to fulfill the diverse requirements of today's packaging.

Our pigments offer optimized performance together with strong focus on product safety and regulatory compliance.

MASTERBATCHES



TRANSPORTATION

The challenge when combining pigments for the automotive industry is to balance the specifications of bright, chromatic color shades and sufficient opacity of the coating.

Our products comprise pigments like Hostaperm® with excellent weathering fastness, chromaticity and good dispersibility designed for exterior automotive coatings.



AGRICULTURE

Color has always been used as a branding and marketing tool in various application fields. Clariant offers a dedicated Agrocere® range of powder pigments, aqueous dispersions based on pigments as well as selected dyes – Sanolin™ and Duasyn® for seed, fertilizer and pesticide coloration.



HEALTHCARE

Clariant offers a specialized range of solutions for the healthcare industry. We understand that consistent quality is a requirement for our customers and thanks to our market understanding we can assist them at any stage of the development or manufacturing process.

Our healthcare polymer solution - Mevopur® standard color range helps to reduce development time and supports risk management by avoiding color matching process. It meets the regulatory requirements such as U.S Pharmacopia, European Pharmacopia and the Drug Master File of medical and pharmaceutical markets. 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.

Mevopur® functional additive masterbatches provide opportunities in areas such as material reduction, friction reduction, protection during gamma sterilization, radiopacity and ink-free marking using laser in medical devices and pharmaceutical packaging.

Clariant and SICPA have jointly developed Plastiward™, a complete in-plastic solution that effectively protects from counterfeiting and dilution, while enabling pharma and medical device companies to guarantee supply chain integrity with low impact on productivity and operations.



FIBERS

Our wide range of color and functional additive masterbatches and combibatches solutions for polyolefin, polyester and nylon fibers help create brilliant colorful solutions in commercial and residential carpets. These masterbatches are used in rugs, clothing-upholstery, sportswear and apparel, automotive interiors, non-wovens and artificial turfs, adding durability, UV stability, flame retardancy, antibacterial and many other performance properties.



TRANSPORTATION

Our broad range of color and additive masterbatch products allow automotive manufacturers and their converters to match colors exactly across many different plastic materials, enhancing aesthetics while preventing material degradation due to UV light and heat in internal and external application, while meeting demanding automotive specifications. Hydrocerol® Chemical Foaming Agent (CFA) masterbatches create opportunities for reducing component weight thereby improving fuel efficiency in the vehicles and improving acoustics and dampening vibrations.

MASTERBATCHES



PRINTING AND PACKAGING

Our masterbatches offer colorants, special effects and functional enhancements for plastics caps and closure, bottles and trays in food and beverage, consumer care plastic packaging, ensuring safety and regulatory compliance.

Our CESA® range of additive masterbatches which includes slip, anti-block, anti-fog and processing aids are used to enhance the performance and productivity in flexible packaging films.



INFRASTRUCTURE

Our color and additive masterbatches are used in solar panel black sheet and window films ensuring their longevity and durability. We provide solution to geosynthetics through our UV stabilizers and antioxidant masterbatches.

By using thinner insulation boards with our masterbatches technology, it is possible to have buildings with maximum living space, which results in saving of material used and reduce the production cost.



HOME AND PERSONAL CARE

Our ColorWorks™ centers provide an opportunity to home and personal care packaging producers to get the ideas, inspiration and technical guidance related to creative application of color and special effects in product design & branding of their products. We provide assistance to expert color designers who can show color and effects in plastic bottles, caps and chip prototypes that simulate real time use.



AGRICULTURE

We offer functional additive solutions for expected life of agricultural films for greenhouse, crop-protection, mulch and raffia applications through our CESA® range of additive masterbatches which includes agrochemical resistant UV absorbers and light stabilizers, anti-fogging and anti-dripping additives, IR absorbers and photo-selective masterbatches.



CONSUMER GOODS

Clariant's comprehensive line of color and 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, etc.

Our combi-masterbatches enhance the end use performance along with color, special effects and aesthetics by taking care of the functional requirements such as flame retardancy, UV stability, laser marking, anti-scratch, anti-microbial and anti-static properties thereby improving product safety and standard compliance.