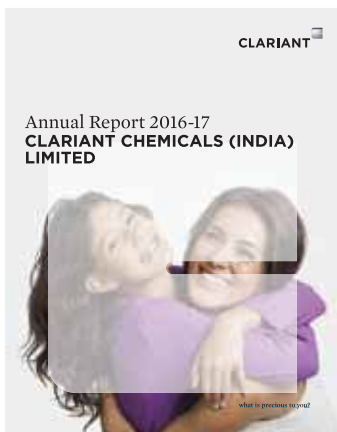


Annual Report 2016-17

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.

Content

02	Board of Directors
04	Touching Lives Discovering Value
07	Community Outreach
08	Awards & Accolades
09	Financial Performance
11	Notice
19	Directors' Report
46	Management Discussion and Analysis
52	Report on Corporate Governance
66	Auditors' Report
72	Balance Sheet
73	Statement of Profit and Loss
74	Statement of Changes in Equity
75	Cash Flow Statement
77	Notes
123	10 Years' Highlights

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 Licospense 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 (OSHA). 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.