

# Price Waterhouse Chartered Accountants LLP

## Review Report

The Board of Directors  
Clariant Chemicals (India) Limited  
Reliable Tech Park  
Behind Reliable Plaza  
Thane - Belapur Road, Airoli  
Navi Mumbai – 400 708

1. We have reviewed the unaudited financial results of Clariant Chemicals (India) Limited (the "Company") for the quarter ended September 30, 2019 which are included in the accompanying "Statement of Unaudited Results for Three/ Six Months Ended September 30, 2019", the statement of assets and liabilities as on that date and the statement of cash flows for the half-year ended on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. Attention is drawn to the fact that the statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in the Statement have been approved by the Company's Board of Directors, but have not been subjected to review. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Arvind Daga  
Partner  
Membership Number: 108290  
UDIN: 19108290AAAAAZ1609

Place: Navi Mumbai  
Date: November 6, 2019

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

# Clariant Chemicals (India) Limited

Corporate Identity Number: L24110MH1956PLC010806  
Registered Office : Reliable Tech Park, Thane Belapur Road,  
Airoli, Navi Mumbai - 400708  
Tel: 022 7125 1245; Fax: 022 7125 1228

Website: www.clariant.com Email: investor.relations\_india@clariant.com

# CLARIANT

## STATEMENT OF UNAUDITED RESULTS FOR THE THREE/ SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars	(₹ in Lakhs)					
	3 months ended	3 months ended	3 months ended	6 months ended	6 months ended	Year ended
	30-09-2019 (Unaudited)	30-06-2019 (Unaudited)	30-09-2018 (Unaudited)	30-09-2019 (Unaudited)	30-09-2018 (Unaudited)	31-03-2019 (Audited)
<b>1 Revenue</b>						
(a) Revenue from operations	27213	29581	25639	56794	52071	102809
(b) Other income	390	261	435	651	763	1082
<b>Total revenue</b>	<b>27603</b>	<b>29842</b>	<b>26074</b>	<b>57445</b>	<b>52834</b>	<b>103891</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	12500	15767	14924	28267	28701	58710
(b) Purchases of stock-in-trade	2000	2078	2392	4078	4670	9260
(c) Changes in inventories of finished goods, work-in-progress and	2299	659	(663)	2958	(35)	(1044)
(d) Employee benefits expense	2613	2532	2443	5145	4929	9517
(e) Finance costs	98	105	14	203	30	62
(f) Depreciation and amortisation expense	1152	1162	923	2314	1861	3743
(g) Other expenses	4835	5696	5283	10531	10393	20629
<b>Total expenses</b>	<b>25497</b>	<b>27999</b>	<b>25316</b>	<b>53496</b>	<b>50549</b>	<b>100877</b>
<b>3 Profit before tax</b>	<b>2106</b>	<b>1843</b>	<b>758</b>	<b>3949</b>	<b>2285</b>	<b>3014</b>
<b>4 Tax expense</b>						
(a) Current tax	787	718	329	1505	984	1702
(b) Deferred tax	(15)	(2)	62	(17)	(30)	(544)
<b>Total tax expense</b>	<b>772</b>	<b>716</b>	<b>391</b>	<b>1488</b>	<b>954</b>	<b>1158</b>
<b>5 Net Profit for the period</b>	<b>1334</b>	<b>1127</b>	<b>367</b>	<b>2461</b>	<b>1331</b>	<b>1856</b>
<b>6 Other comprehensive Income / (Loss) (net of tax)</b> (Items that will not be reclassified to profit or loss)						
(a) Remeasurement of the defined benefit plans	(191)	(96)	8	(287)	9	3
(b) Income tax relating to items that will not be reclassified to profit or loss	67	34	(3)	101	(3)	(1)
	(124)	(62)	5	(186)	6	2
<b>7 Total comprehensive Income for the period</b>	<b>1210</b>	<b>1065</b>	<b>372</b>	<b>2275</b>	<b>1337</b>	<b>1858</b>
<b>8 Paid up equity share capital (Face value of ₹ 10/- each)</b>	<b>2308</b>	<b>2308</b>	<b>2308</b>	<b>2308</b>	<b>2308</b>	<b>2308</b>
<b>9 Basic and diluted earnings per share (of ₹ 10/- each)</b>	<b>5.78</b>	<b>4.88</b>	<b>1.59</b>	<b>10.66</b>	<b>5.77</b>	<b>8.04</b>

### Notes:

- The Company has availed amnesty scheme announced by Maharashtra State Government in respect of outstanding sales tax litigations. Accordingly, result for quarter ended June 30, 2019 and six months ended September 30, 2019 includes charge of ₹ 831.62 Lakhs (including interest and penalty) under Other expenses.
- The Company has adopted Ind AS 116 "Leases" effective April 01 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The Company has applied the standard to all its leases with the cumulative impact recognised on the date of initial application i.e. April 01, 2019. Accordingly, previous periods information has not been restated. This has resulted in recognising a Right-of-Use (ROU) asset and corresponding lease liability of ₹ 3994.34 Lakhs. The impact of adoption of Ind AS 116 has resulted into decrease in profit before tax by ₹ 65.68 Lakhs for the current quarter (₹ 137.11 Lakhs for 6 months ended September 30, 2019) i.e., operating lease expense of ₹ 265.94 Lakhs (₹ 530.10 Lakhs for 6 months ended September 30, 2019) has been derecognised and depreciation expense of ₹ 247.20 Lakhs (₹ 494.40 Lakhs for 6 months ended September 30, 2019) on right-to-use asset and finance cost as interest on lease liability of ₹ 84.42 Lakhs (₹ 172.81 Lakhs for 6 months ended September 30, 2019) has been recognised.
- Results for the year ended March 31, 2019 includes income of ₹ 100 lakhs from sale of residential apartments.
- Results for the year ended March 31, 2019 includes expense of ₹ 377 Lakhs towards provision made by the Company for past disputed indirect tax matter.
- The ultimate global holding company has announced about its decision to divest the entire Masterbatches and Pigments businesses. The regional and country level implications of this strategic decision is not mapped out currently and thereby, no actions have been initiated by the Company as yet. Accordingly, no implications of the same, if any, have been carried out in the current financial results.
- The Board of Directors at their meeting held on November 06, 2019 has approved the sale of Business Unit – Additives (BU - Additives) included in the Plastics and Coatings Segment along with employees ,assets, liabilities and including all licenses, permits, consent and approvals thereto as a going concern by way of a slump sale on "as is where is basis" to Clariant India Limited on or before closing working hours of March 31, 2020, for a consideration of ₹1,684 lakhs. The sale of said business has not been shown as held for sale as criteria to be classified as held for sale in accordance with Ind AS 105 are not met as of September 30, 2019.
- Final dividend of ₹ 5 per share proposed for the year ended March 31, 2019 was approved by shareholders in AGM held on August 8, 2019, and was paid subsequently during the current quarter.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 06, 2019.

Navi Mumbai, November 06, 2019

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**Kanan Ahmad**  
Vice-Chairman & Managing Director  
DIN: 00046742

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## SEGMENT WISE REVENUE, RESULTS, SEGMENT ASSETS, SEGMENT LIABILITIES AND CAPITAL EMPLOYED FOR THREE / SIX MONTHS ENDED SEPTEMBER 30, 2019

(₹ in Lakhs)

Particulars	3 months ended	3 months ended	Corresponding	6 months ended	6 months ended	Year ended
	30-09-2019	30-06-2019	3 months ended	30-09-2019	30-09-2018	31-03-2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
Plastics and Coatings	26121	27581	24234	53702	49004	96277
Specialty Chemicals	1092	2000	1405	3092	3067	6532
<b>Total revenue from operations</b>	<b>27213</b>	<b>29581</b>	<b>25639</b>	<b>56794</b>	<b>52071</b>	<b>102809</b>
<b>2. Segment results</b>						
Plastics and Coatings	2023	2364	674	4387	2215	3078
Specialty Chemicals	159	260	27	419	(9)	253
<b>Total Segment results</b>	<b>2182</b>	<b>2624</b>	<b>701</b>	<b>4806</b>	<b>2206</b>	<b>3331</b>
Less : (1) Finance costs	98	105	14	203	30	62
(2) Other unallocable expenditure net of unallocable income	(22)	676	(71)	654	(109)	255
<b>Profit before tax</b>	<b>2106</b>	<b>1843</b>	<b>758</b>	<b>3949</b>	<b>2285</b>	<b>3014</b>
<b>3. Segment assets</b>						
Plastics and Coatings	80898	81098	75213	80898	75213	76079
Specialty Chemicals	394	760	765	394	765	1029
Unallocable	11377	14458	13620	11377	13620	12344
<b>Total</b>	<b>92669</b>	<b>96316</b>	<b>89598</b>	<b>92669</b>	<b>89598</b>	<b>89452</b>
<b>4. Segment liabilities</b>						
Plastics and Coatings	25755	27975	22784	25755	22784	24046
Specialty Chemicals	310	662	-	310	-	-
Unallocable	4030	4935	4319	4030	4319	3763
<b>Total</b>	<b>30095</b>	<b>33572</b>	<b>27103</b>	<b>30095</b>	<b>27103</b>	<b>27809</b>
<b>5. Capital Employed</b>						
Plastics and Coatings	55143	53123	52429	55143	52429	52033
Specialty Chemicals	84	98	765	84	765	1029
Unallocable	7347	9523	9301	7347	9301	8581
<b>Total</b>	<b>62574</b>	<b>62744</b>	<b>62495</b>	<b>62574</b>	<b>62495</b>	<b>61643</b>

Navi Mumbai, November 06, 2019

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Adnan Ahmad  
 Vice-Chairman & Managing Director  
 DIN: 00046742

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# CLARIANT

## STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

(₹ in Lakhs)

Particulars	As at	As at
	30-09-2019	31-03-2019
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	27378	26232
(b) Capital work-in-progress	843	2146
(c) Goodwill	4024	4024
(d) Other intangible assets	592	658
(e) Right of use assets	3500	-
(f) Financial assets		
(i) Loans	970	971
(g) Other non-current assets	744	1854
(h) Non-current tax assets (net)	5985	5985
<b>Sub-total - Non-current assets</b>	<b>44036</b>	<b>41870</b>
<b>Current assets</b>		
(a) Inventories	18033	18350
(b) Financial assets		
(i) Investments	1199	1207
(ii) Trade receivables	18637	18153
(iii) Cash and cash equivalents	2962	2814
(iv) Bank balances other than (iii) above	619	696
(v) Loans	17	53
(vi) Others financial assets	34	113
(c) Other current assets	7132	6196
<b>Sub-total - Current assets</b>	<b>48633</b>	<b>47582</b>
<b>TOTAL - ASSETS</b>	<b>92669</b>	<b>89452</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2308	2308
(b) Other equity	60266	59335
<b>Sub-total - Equity</b>	<b>62574</b>	<b>61643</b>
<b>Non-current liabilities</b>		
(a) Provisions	1703	1312
(b) Deferred tax liabilities (net)	1398	1515
(c) Lease liabilities	2804	-
<b>Sub-total - Non-current liabilities</b>	<b>5905</b>	<b>2827</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro and small enterprises	153	622
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17616	18298
(ii) Other financial liabilities	2457	2989
(b) Other current liabilities	245	286
(c) Provisions	874	1235
(d) Lease liabilities	833	-
(e) Current tax liabilities (net)	2012	1552
<b>Sub-total - Current liabilities</b>	<b>24190</b>	<b>24982</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>92669</b>	<b>89452</b>

Navi Mumbai, November 06, 2019

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Adnan Ahmad  
Vice-Chairman & Managing Director  
DIN: 00046742

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**CLARIANT**

## Cash Flow Statement for the period ended September 30, 2019

(₹ in Lakhs)

	Period ended 30-09-19 (Unaudited)	Period ended 30-09-18 (Unaudited)
<b>A. Cash flow from operating activities :</b>		
Profit before tax	3,949	2,285
Adjustments for :		
Depreciation and amortisation expense	2,314	1,861
Unrealised foreign exchange loss/(gain) (net)	22	44
Interest income	(26)	(55)
Dividend income from Investments	(32)	(70)
Net gain on disposal of property, plant and equipment	(22)	(110)
Net (gain) / loss on financial assets mandatorily measured at FVTPL	(1)	(11)
Employee share based payment expenses	48	88
Allowances for credit losses	(24)	96
Finance costs	203	30
Property, plant and equipment written-off	-	6
<b>Operating profit before working capital changes</b>	<b>6,431</b>	<b>4,164</b>
Adjustments for (Increase) / Decrease in working capital :		
Trade receivables	(412)	97
Other current assets	(936)	(1,033)
Other non current assets	1,040	(109)
Other financial assets	211	60
Inventories	319	(1,779)
Trade payables	(1,221)	(68)
Non current provisions	104	77
Current provisions	(361)	141
Other current liabilities	(41)	20
Other financial liabilities	(225)	(307)
<b>Cash generated from operations</b>	<b>4,909</b>	<b>1,263</b>
Direct taxes paid- (net of refunds) (refer note below)	(1,045)	(658)
<b>Net cash generated from / (used in) operating activities</b>	<b>3,864</b>	<b>605</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of property, plant and equipment (including Capital work-in-progress)	(1,864)	(1,287)
Sale of property, plant and equipment	29	844
Purchase of current investments	(61,769)	(59,658)
Sale of current investments	61,778	62,120
Interest received	4	77
Dividend received	32	70
<b>Net cash generated from investing activities</b>	<b>(1,790)</b>	<b>2,166</b>
<b>C. Cash flow from financing activities :</b>		
Finance costs	(5)	(7)
Dividend / dividend tax paid	(1,391)	(1,391)
Payment of lease liability	(530)	-
<b>Net Cash (used in) financing activities</b>	<b>(1,926)</b>	<b>(1,398)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>148</b>	<b>1,373</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD</b>	<b>2,814</b>	<b>2,014</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD</b>	<b>2,962</b>	<b>3,387</b>

Note : Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Navi Mumbai, November 06, 2019

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