

The Review



Exactly your chemistry.

Dear Shareholder,

'Diwali', the festival of lights is just over and we are sure each one of you enjoyed the festivities. We wish you and your family a 'Very Happy and Prosperous New Year'.

The Company has announced its unaudited financial results for the second quarter and six months ended September 30, 2006 duly reviewed by the Audit Committee and approved by the Board of Directors.

We have pleasure to inform you that Clariant Chemicals (India) Limited, has recorded a net sales turnover (net of excise) of Rs. 2294 million and a net profit after tax amounting to Rs. 102.7 million, in the second quarter of the current financial year. This was achieved in spite of the dislocation caused by the floods in Surat during August 2006. For the first six months of the current financial year, the Company has recorded a net sales turnover of Rs. 4588.4 million and has earned a net profit after tax of Rs. 254.6 million. The current year figures are not comparable with the previous year, in view of the amalgamation of Clariant (India) Limited, Vanavil Dyes & Chemicals Limited, BTP India

Private Limited and Kundalika Investments Limited into the former Colour-Chem Limited.

The industry segments Intermediates and Colours recorded sales of Rs. 843.7 million, Dyes and Specialty Chemicals Rs. 1386.6 million and Masterbatches Rs. 63.7 million for the quarter and Rs. 1751.7 million, Rs. 2718.2 million and Rs. 118.5 million respectively for the first six months ended September 30, 2006.

At a meeting of the Board of Directors of the Company on September 14, 2006, it was decided to change the accounting year of Clariant Chemicals (India) Limited from the financial year April to March to the calendar year January to December. The Company will therefore close its accounts for the current financial year on December 31, 2006, i.e. for a period of nine months.

Chemtreat Composites India Pvt. Ltd., our wholly owned subsidiary has commenced commercial production of polysilazanes during the second half of September 2006.

The Company is implementing a single integrated business operating system viz. SAP WINS, to replace the various legacy systems. The project is progressing to our satisfaction. We expect the system to go live during the first week of January 2007.

We were privileged to have a visit from Mr. Peter Brandenburg, Head of Regions and Services, Clariant AG in August 2006 and of Mr. Jan Secher, CEO, Clariant AG in October 2006. They were pleased to see first hand the successful integration of the affiliates in India.

We would like to take this opportunity to thank you for your confidence in the Company and its management and look forward to your continued support

Yours sincerely,

A handwritten signature in black ink, appearing to read "H. Meier".

Heiner Meier
Vice-Chairman & Managing Director

Mumbai, October 30, 2006

Unaudited Financial Results for the Three/Six Months Ended September 30, 2006

(Rs. in lakhs)

	PARTICULARS	THREE MONTHS ENDED		SIX MONTHS ENDED		PREVIOUS ACCOUNTING YEAR ENDED
		30-09-2006 (Unaudited)	30-09-2005 (Unaudited)	30-09-2006 (Unaudited)	30-09-2005 (Unaudited)	31-03-2006 (Audited)
1.	Net Sales/Income from Operations	22,940	9,577	45,884	19,492	85,106
2.	Other Income	793	337	1,495	810	2,813
		23,733	9,914	47,379	20,302	87,919
3.	Total Expenditure					
	a. (Increase) / Decrease in stock in trade	(1,040)	354	(1,822)	(100)	(861)
	b. Consumption of Raw / Packing Materials	11,244	4,684	21,850	10,086	34,927
	c. Purchase of Finished Goods	5,043	1,007	9,736	2,440	21,546
	d. Power and Fuel	1,171	541	2,340	1,029	3,677
	e. Personnel Cost	1,695	1,205	3,582	2,123	7,033
	f. Other Expenditure	3,490	1,389	6,746	2,685	12,662
4.	Interest (Net)	5	(21)	(6)	4	4
5.	Depreciation / Amortisation	519	301	1,049	606	2,447
		22,127	9,460	43,475	18,873	81,435
6.	Profit before Tax	1,606	454	3,904	1,429	6,484
7.	Provision for Taxation (including Deferred Tax and Fringe Benefit Tax)	579	184	1,358	539	2,445
8.	Net Profit	1,027	270	2,546	890	4,039
9.	Paid up equity share capital (Face value of Rs. 10/- each)	2,666	1,165	2,666	1,165	1,165
10.	Share suspense account	-	-	-	-	1,501
	Total (9 + 10)	2,666	1,165	2,666	1,165	2,666
11.	Reserves excluding revaluation reserve					30,544
12.	EPS - Basic & Diluted (in Rs.) (Not annualised)	3.85	2.32	9.55	7.64	15.15
13.	Aggregate of public shareholding					
	Number of shares	9,758,665	3,48,2920	9,758,665	3,482,920	3,482,920
	Percentage of shareholding	36.60	29.90	36.60	29.90	29.90

Notes

- The above results for the three / six months ended September 30, 2006, which have been subjected to a "Limited Review" by the auditors of the Company, have been reviewed by the audit committee and approved by the Board of Directors at its meeting held on October 30, 2006.
- The figures for the three / six months ended September 30, 2005 do not include the figures of the erstwhile Clariant (India) Limited, Vanavil Dyes and Chemicals Limited, BTP India Private Limited and Kundalika Investments Limited which were amalgamated with the Company retrospectively from appointed date April 1, 2005 consequent to the scheme of amalgamation being effective from March 31, 2006, hence the previous period's figures are not comparable with those of the current period.
- The Board of Directors in their meeting held on September 14, 2006 had decided to change the accounting year of the Company from the financial year April to March to the calendar year January to December for future. Accordingly the Company shall close its accounts for the financial year for a period of nine months ending on December 31, 2006.
- There were no investor complaints pending at the beginning of the quarter or lying unresolved at the end of the quarter. During the quarter, the Company received one investor complaint which was disposed off.
- Previous periods' figures have been regrouped wherever necessary.

Place : Mumbai
Date : October 30, 2006


Heiner Meier
Vice-Chairman & Managing Director

Segment Wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement for the Three/Six Months Ended September 30, 2006

(Rs. in lakhs)

	PARTICULARS	THREE MONTHS ENDED		SIX MONTHS ENDED		PREVIOUS ACCOUNTING YEAR ENDED
		30-09-2006 (Unaudited)	30-09-2005 (Unaudited)	30-09-2006 (Unaudited)	30-09-2005 (Unaudited)	31-03-2006 (Audited)
1.	Segment Revenue (Net Sales / Income from operations)					
	Intermediates & Colours	8,437	6,725	17,517	13,628	35,106
	Dyes & Specialty Chemicals	13,866	2,852	27,182	5,864	48,315
	Masterbatches	637	-	1,185	-	1,685
	Total Net Sales / Income from operations	22,940	9,577	45,884	19,492	85,106
2.	Segment Results Profit / (Loss) before Tax and Interest from each Segment					
	Intermediates & Colours	179	344	908	981	1,532
	Dyes & Specialty Chemicals	1,547	332	3,371	766	6,360
	Masterbatches	93	-	171	-	126
	Total Segment Results	1,819	676	4,450	1,747	8,018
	Add : Interest income / dividend income	79	112	195	245	779
	Less: (1) Interest expenses	66	91	134	172	485
	(2) Other unallocable expenditure net of unallocable income	226	243	607	391	1,828
	Total Profit Before Tax	1,606	454	3,904	1,429	6,484
3.	Capital Employed (Segment assets - segment liabilities)					
	Intermediates & Colours	17,046	12,718	17,046	12,718	15,887
	Dyes & Specialty Chemicals	12,670	4,058	12,670	4,058	12,963
	Masterbatches	1,052	-	1,052	-	843
	Total Capital Employed in Segments	30,768	16,776	30,768	16,776	29,693
	Add: Unallocable corporate assets less corporate liabilities	6,012	5,842	6,012	5,842	12,341
	Total Capital Employed in Company	36,780	22,618	36,780	22,618	42,034

Notes

- The figures for the three / six months ended September 30, 2005 do not include the figures of the erstwhile Clariant (India) Limited, Vanavil Dyes and Chemicals Limited, BTP India Private Limited and Kundalika Investments Limited which were amalgamated with the Company retrospectively from the appointed date April 1, 2005 consequent to the scheme of amalgamation being effective from March 31, 2006, hence the previous period's figures are not comparable with those of the current period.
- Previous periods' figures have been regrouped wherever necessary.

Place : Mumbai
Date : October 30, 2006


Heiner Meier
Vice-Chairman & Managing Director

Will cars have really
scratchproof paint someday?



Exactly your chemistry.

A pipe dream today but reality, perhaps, tomorrow. Even now, nanomaterials are helping to give everyday materials undreamt-of properties with many practical benefits. And this is set to increase in the future. Clariant has highly advanced process technologies and immensely broad expertise in surface treatment and nanotechnology. Clariant stands for innovative syntheses, colors and surface effects geared to the needs of sectors such as Textile, Leather & Paper Chemicals, Pigments & Additives, Functional Chemicals, Life Science Chemicals and Masterbatches. What's more, we're close enough to provide a solution to your problem on the spot. Wherever in the world you are. *Clariant International Ltd, www.clariant.com*

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