

# Price Waterhouse Chartered Accountants LLP

## Review Report

To  
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 December 31, 2019 which are included in the accompanying "Statement of Unaudited Results for Three/Nine Months ended December 31, 2019" (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. 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: 20108290AAAAAJ7806  
Place: Mumbai  
Date: February 14, 2020

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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 1000; Fax: 022 7125 1228  
 Website: www.clariant.com Email: investor.relations\_India@clariant.com

# CLARIANT

## STATEMENT OF UNAUDITED RESULTS FOR THE THREE/ NINE MONTHS ENDED DECEMBER 31, 2019

(₹ in Lakhs)

Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Revenue</b>						
(a) Revenue from operations	18833	18965	17109	58780	53380	71875
(b) Other income	231	386	60	869	808	1010
<b>Total revenue</b>	<b>19064</b>	<b>19351</b>	<b>17169</b>	<b>59649</b>	<b>54188</b>	<b>72885</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	9415	7273	10158	26890	28505	38728
(b) Purchases of stock-in-trade	1540	1775	1652	5136	5717	8014
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1747	2127	(481)	4564	(516)	(1733)
(d) Employee benefits expense	1560	1668	1491	4919	4596	5927
(e) Finance costs	93	98	15	296	45	62
(f) Depreciation and amortisation expense	1001	961	739	2932	2199	2916
(g) Other expenses	4022	3826	4061	12550	12344	16772
<b>Total expenses</b>	<b>19378</b>	<b>17728</b>	<b>17635</b>	<b>57287</b>	<b>52890</b>	<b>70686</b>
<b>3 Profit / (Loss) before tax</b>	<b>(314)</b>	<b>1623</b>	<b>(466)</b>	<b>2362</b>	<b>1298</b>	<b>2199</b>
<b>4 Tax expense</b>						
(a) Current tax	(82)	641	203	1015	918	1505
(b) Deferred tax	(557)	62	(151)	(464)	(223)	(459)
<b>Total tax expense</b>	<b>(639)</b>	<b>703</b>	<b>52</b>	<b>551</b>	<b>695</b>	<b>1046</b>
<b>5 Net Profit / (Loss) for the period from continuing operations (after tax)</b>	<b>325</b>	<b>920</b>	<b>(518)</b>	<b>1811</b>	<b>603</b>	<b>1153</b>
<b>6 Profit / (Loss) from discontinued operations before tax (Refer Note 5(a) and 5(b))</b>	<b>639</b>	<b>483</b>	<b>113</b>	<b>1910</b>	<b>636</b>	<b>815</b>
<b>Tax expense / (income) of discontinued operations</b>	<b>(113)</b>	<b>69</b>	<b>(133)</b>	<b>187</b>	<b>178</b>	<b>112</b>
<b>Profit / (Loss) for the period from discontinued operations</b>	<b>752</b>	<b>414</b>	<b>246</b>	<b>1723</b>	<b>458</b>	<b>703</b>
<b>7 Profit / (Loss) for the period from continuing and discontinued operations (after tax) (5+6)</b>	<b>1077</b>	<b>1334</b>	<b>(272)</b>	<b>3534</b>	<b>1061</b>	<b>1856</b>
<b>8 Other comprehensive Income / (Loss) (net of tax) (Items that will not be reclassified to profit or loss)</b>						
(a) Remeasurement of the defined benefit plans	36	(191)	(133)	(251)	(124)	3
(b) Income tax relating to items that will not be reclassified to profit or loss	(46)	67	46	54	43	(1)
	(10)	(124)	(87)	(197)	(81)	2
<b>9 Total comprehensive Income for the period</b>	<b>1067</b>	<b>1210</b>	<b>(359)</b>	<b>3337</b>	<b>980</b>	<b>1858</b>
<b>10 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>11 Earnings per share (of ₹ 10 each)</b>						
<b>Continuing operations</b>						
Basic and diluted (₹)	1.41	3.99	(2.24)	7.85	2.61	5.00
<b>Discontinued operations</b>						
Basic and diluted (₹)	3.26	1.79	1.07	7.47	1.98	3.05
<b>Continuing and discontinued operations</b>						
Basic and diluted (₹)	4.67	5.78	(1.17)	15.32	4.59	8.05



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## Notes:

- 1) The Company has availed amnesty scheme announced by various State and Central Government in respect of outstanding indirect tax litigations. Accordingly, result for nine months ended December 31, 2019 includes charge of ₹ 967.44 Lakhs (including interest and penalty) (quarter ended December 31, 2019 of ₹ 135.82 Lakhs) under Other expenses.
- 2) 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 ₹ 43.19 Lakhs for the current quarter (₹ 180.30 Lakhs for 9 months ended December 31, 2019) i.e., operating lease expense of ₹ 284.28 Lakhs (₹ 814.39 Lakhs for 9 months ended December 31, 2019) has been derecognised and depreciation expense of ₹ 247.20 Lakhs (₹ 741.61 Lakhs for 9 months ended December 31, 2019) on right-to-use asset and finance cost as interest on lease liability of ₹ 80.27 Lakhs (₹ 253.08 Lakhs for 9 months ended December 31, 2019) has been recognised.
- 3) Results for the year ended March 31, 2019 includes income of ₹ 100 lakhs from sale of residential apartments.
- 4) 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.
- 5) (a) The Board of Directors at their meeting held on December 19, 2019 has approved the sale of Business Unit – Masterbatches to PolyOne for a consideration of ₹42,600 Lakhs subject to adjustments and local statutory approvals. Accordingly, as per Ind AS 105 on Non-current Assets held for sale and discontinued operations, masterbatch business operations have been disclosed as discontinued operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.  
(b) The Board of Directors at their meeting held on November 06, 2019 has approved the sale of Business Unit – Additives (BU - Additives) to Clariant India Limited for a consideration of ₹ 1,68 Lakhs subject to working capital changes. After giving effect of working capital changes revised consideration stands at ₹1,377 Lakhs. Accordingly, as per Ind AS 105 on Non-current Assets held for sale and discontinued operations, masterbatch business operations have been disclosed as discontinued operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

The financial information relating to discontinued operations is given below:

(₹ in Lakhs)

Particulars	Quarter ended			9 months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
a. Total Income	9175	8252	7883	26036	23699	31006
b. Total Expenses	8536	7769	7770	24126	23063	30191
c. Profit before tax (a-b)	639	483	113	1910	636	815
d. Tax expense	(113)	69	(133)	187	178	112
e. Profit from discontinued operations (c-d)	752	414	246	1723	458	703

- 6) Mr. Sanjay Ghadge (DIN 08455742), Director Finance & Chief Financial Officer of the Company had, vide his letter dated December 31, 2019, tendered his resignation from the post of Chief Financial Officer of the Company effective from January 1, 2020. He will act as a Non-Executive Director of the Company effective from January 1, 2020.
- 7) 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.
- 8) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2020.

Mumbai, February 14, 2020

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Adnan Ahmad  
Vice-Chairman & Managing Director  
DIN:-00046742



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**SEGMENT WISE REVENUE, RESULTS, SEGMENT ASSETS, SEGMENT LIABILITIES AND CAPITAL EMPLOYED  
FOR THREE / NINE MONTHS ENDED DECEMBER 31, 2019**

(₹ in Lakhs)

Particulars	3 months ended	3 months ended	Corresponding 3 months ended	9 months ended	9 months ended	Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
Plastics and Coatings (continuing)	17095	17873	15878	53950	49082	65343
Specialty Chemicals	1738	1092	1231	4830	4298	6532
<b>Total revenue from operations</b>	<b>18833</b>	<b>18965</b>	<b>17109</b>	<b>58780</b>	<b>53380</b>	<b>71875</b>
<b>2. Segment results</b>						
Plastics and Coatings (continuing)	(418)	1540	(136)	2698	1556	2263
Specialty Chemicals	191	159	29	610	20	253
<b>Total Segment results</b>	<b>(227)</b>	<b>1699</b>	<b>(107)</b>	<b>3308</b>	<b>1576</b>	<b>2516</b>
Less : (1) Finance costs	93	98	15	296	45	62
(2) Other unallocable expenditure net of unallocable income	(6)	(22)	344	650	233	255
<b>Profit before tax (continuing)</b>	<b>(314)</b>	<b>1623</b>	<b>(466)</b>	<b>2362</b>	<b>1298</b>	<b>2199</b>
<b>Profit before tax (discontinued)</b>	<b>639</b>	<b>483</b>	<b>113</b>	<b>1910</b>	<b>636</b>	<b>815</b>
<b>Profit before tax (continuing and discontinued operations)</b>	<b>325</b>	<b>2106</b>	<b>(353)</b>	<b>4272</b>	<b>1934</b>	<b>3014</b>
<b>3. Segment assets</b>						
Plastics and Coatings (continuing)	55663	59598	51754	55663	51754	55389
Specialty Chemicals	401	394	715	401	715	1029
Unallocable	17402	11377	14279	17402	14279	12344
<b>Total</b>	<b>73466</b>	<b>71369</b>	<b>66748</b>	<b>73466</b>	<b>66748</b>	<b>68762</b>
<b>4. Segment liabilities</b>						
Plastics and Coatings (continuing)	21745	21586	17355	21745	17355	19804
Specialty Chemicals	170	310	-	170	-	-
Unallocable	3309	4030	4402	3309	4402	3763
<b>Total</b>	<b>25224</b>	<b>25926</b>	<b>21757</b>	<b>25224</b>	<b>21757</b>	<b>23567</b>
<b>5. Capital employed</b>						
Plastics and Coatings (continuing)	33918	38012	34399	33918	34399	35585
Specialty Chemicals	231	84	715	231	715	1029
Unallocable	14093	7347	9877	14093	9877	8581
<b>Total</b>	<b>48242</b>	<b>45443</b>	<b>44991</b>	<b>48242</b>	<b>44991</b>	<b>45195</b>

Information related to discontinued operations as stated in note 5(a) and 5(b) to the financial results :

Particulars	3 months ended	3 months ended	Corresponding 3 months ended	9 months ended	9 months ended	Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue	9171	8248	7879	26019	23679	30934
Segment results	639	483	113	1910	636	815
Segment assets	19329	21300	20250	19329	20250	20690
Segment liabilities	3897	4169	4467	3897	4467	4242
Capital employed	15432	17131	15783	15432	15783	16448

Mumbai, February 14, 2020

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Adnan Ahmad  
Vice-Chairman & Managing Director  
DIN: 00046742
