

Challenges

- The raw materials which are required in the organic and inorganic chemical industry, which even spans the specialty chemical industry, are often inaccessible and unavailable in the market in the required quantities resulting in supply chain disruptions. The challenges are being addressed by evaluating availability of multiple alternate materials, new vendors with agility and securing supplies to the extent possible.
- Volatile change in oil and crude prices due to unfavorable macro-economic scenario may have a negative impact on the industry.
- Risk of global economic slowdown as a result of the pandemic and rising trade tensions may impact the chemicals sector as a whole.
- The cost of compliance and complex regulatory process also impact operations economically. The ability to scale up, offering differentiated products through innovations, implementing an effective sales and marketing strategy and maintaining high levels of regulatory standards will clearly separate winners from the crowds in this space.

Risks and its Mitigation

Clariant follows Enterprise Risk Management (ERM) tools to define, identify and assess, report and drive the mitigation of risk throughout the group. The tool is designed to provide risk score measures for each of the potential risks as well as its financial, reputational and operational impact. It also provides risk improvement plans, critical success factors and target dates to control risks.

The Company has aligned its policy on risk assessment to that of the global approach and risk assessment reports are reviewed at regular intervals. The Company has also adopted a focused approach towards risk management in the form of a corporate insurance program. The goal of this program is to optimize the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to the business operations of the Company at its various locations.

As part of the global policy, the relevant parameters for all manufacturing sites are analyzed to minimize the risk associated with protection of environment, safety of operations and health of people at work. These are then monitored regularly with reference to statutory regulations prescribed by government authorities and guidelines defined by Clariant. The Company fulfills its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continues to be top priority at all manufacturing sites.

The Company continues its focus on compliance in all areas of its business operations by rationalizing and strengthening controls. This is also an important component of Clariant's Code of Conduct. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Clariant aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior. As part of continuing efforts to ensure that we maintain such exemplary standards and to provide employees with a good understanding Anti-Trust/Competition laws, Clariant has launched and imparted trainings on the aforesaid topics.

The business operations of the Company are exposed to a variety of financial risks such as market risk (foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk, etc. The risk management program focuses on unpredictability of financial markets and seeks to reduce potential adverse effects on the financial performance. The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to a centralized computer center with physically separated server parks operated by the Clariant group. The system's parallel architecture overcomes failures and breakdowns. The global communication network is managed centrally and is equipped to deal with failures and breakdowns.

Cautionary Statement:

Certain statements under 'Management Discussion & Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities law and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control for the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

Mumbai, June 17, 2020

Adnan Ahmad
Vice-Chairman & Managing Director
DIN (00046742)

REPORT ON CORPORATE GOVERNANCE

Principles of Corporate Governance

The Corporate Governance policy in the Company encompasses the simple tenets of integrity, transparency, accountability and fairness in whatever the Company does. Clariant is ordained to set the highest standards of corporate governance right from its inception, benchmarked with the best in class practices across the globe. In defining the management structure, organisation and processes of the Clariant group, the corporate governance principles aim to provide shareholder value and transparency to promote sustainable long-term success. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

1. Group Structure

Clariant AG, a global leader in the field of Specialty Chemicals and headquartered in Muttentz near Basel, is an ultimate Holding of the Company, which directly or indirectly owns group Companies/affiliates worldwide.

2. Board of Directors

2.1 Composition and Changes:

The Board has an optimum combination of Executive and Non-executive Directors, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has 7 Directors out of which 3 are Independent Directors, 3 are Non-Executive Directors and 1 in whole time employment, being the Vice-Chairman

and Managing Director. The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction.

The Chairman of the Board is a Non-executive Independent Director. The Directors on the Board are eminent professionals in business, law, finance, academic and corporate management and have vast experience in their respective fields which enable them to contribute effectively to the Company in their capacity as members of the Board.

The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

None of the Independent Directors has any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Associates which in their judgment would affect their independence. There is no relationship between the Directors inter-se.

The Board does not have any Nominee Director representing any institution

The composition and category of the Board of Directors for the year ended March 31, 2020, the number of other Directorships/Committee memberships held by them and also their attendance at the Board meetings of the Company are as under:

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies [#] as on March 31, 2020		
		Number of Board Meetings held during the tenure of the Director	Last AGM held on August 8, 2019		Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Kewal Handa DIN 00056826 Chairman	Non-Executive Independent	5	5	Attended	6	4	3
Mr. Adnan Ahmad DIN 00046742 Vice-Chairman & Managing Director	Executive	5	5	Attended	2	2	None
Mr. Sunirmal Talukdar DIN 00920608	Non-Executive Independent	5	5	Attended	6	2	3

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies# as on March 31, 2020		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on August 8, 2019	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	5	4	Attended	5	8	2
Mr. Alfred Muench DIN 03092351	Non-Executive	5	3	Attended	2	None	None
Mr. Karl Holger Dierssen ¹ DIN 06739356	Non-Executive	1	0	NA	None	None	None
Mr. Thomas Wenger DIN 08350960	Non-Executive	5	4	Attended	None	1	None
Mr. Sanjay Ghadge ² DIN 08455742	Non-Executive	3	3	Attended	None	None	None

*Directorship held in Clariant Chemicals (India) Limited is included and Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies of the Companies Act, 2013 are not included.

It excludes committees other than Audit Committee & Stakeholders' Relationship Committee, Companies other than Public Limited Company and includes Committee membership/chairmanship held in Clariant Chemicals (India) Limited.

¹ Mr. Karl Holger Dierssen had resigned from the Directorship of the Company from the close of working hours of May 31, 2019.

² Appointed as the Director Finance & Chief Financial Officer of the Company w.e.f. August 8, 2019. Resigned as Chief Financial Officer of the Company w.e.f. January 1, 2020. He acts as Non-Executive Director of the Company effective from January 1, 2020.

2.2 Names of the listed entities where the Director holds Directorship:

Sr. No.	Name of the Director	Name of other listed entity(s)	Category of Directorship
1.	Mr. Kewal Handa (Chairman)	R M Drip & Sprinklers Systems Ltd Mukta Arts Ltd Greaves Cotton Ltd Union Bank of India Limited	Independent Director Independent Director Independent Director Non-Executive – Nominee Director - Chairman
2.	Mr. Adnan Ahmad (Vice-Chairman & Managing Director)	None	NA
3.	Dr. (Mrs.) Indu Shahani (Independent Director)	United Spirits Ltd Colgate-Palmolive (India) Ltd Bajaj Electricals Ltd	Independent Director Independent Director Independent Director
4.	Mr. Sunirmal Talukdar (Independent Director)	India Carbon Ltd Sasken Technologies Ltd Aditya Birla Fashion and Retail Limited Titagarh Wagons Limited	Independent Director Independent Director Independent Director Independent Director
5.	Mr. Alfred Muench (Non-Executive Director)	None	NA
6.	Mr. Thomas Wenger (Non-Executive Director)	None	NA
7.	Mr. Sanjay Ghadge (Non-Executive Director)	None	NA

2.3 Matrix setting out the skills/expertise/competence of Board:

The Board of Company comprises of qualified individuals who bring the required skills, competencies, expertise and diversity to the Board that allows them to contribute efficiently. The Board and Committees thereof, are committed to ensure that Company is compliant with the highest standard of Corporate Governance. The Board has identified and briefly summarized following key qualifications, skills and competence which are currently available with the Board:

Sr. No.	Skill/Qualification/Expertise
1.	Strategic thinking & Vision
2.	Leadership
3.	Drive for Innovation & Improvement
4.	Driving a culture of Safety
5.	Stakeholders' Relationship
6.	Global Business
7.	Commercial Management
8.	Social Responsibility
9.	Risk Management
10.	Corporate Governance, Finance & Taxation

The Independent Directors of the Company fulfils the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended and are independent from the Management of the Company.

2.4 Profile of the Directors proposed to be appointed/re-appointed:

The brief profile and information pertaining to directorship held in other companies, shareholding, etc. of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting of the Company forms part of the Notice of Annual General Meeting.

2.5 Board Meetings and Agenda:

The Board provides the strategic directions to the Company and evaluates management policies and their effectiveness to ensure that the long-term interests of the shareholders are being served.

In accordance with the law and the Articles of Association of the Company, the Board of Directors is the ultimate decision-making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete

and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review, among other things, quarterly performance of the Company and Financial results. During the year under review, the Board of Directors held 5 meetings on May 16, 2019, August 8, 2019, November 6, 2019, December 19, 2019 and February 14, 2020.

The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and/or the presentations are made in respect thereof. The information as specified in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

2.6 Familiarization Programme:

The Company has put in place a well-structured induction and familiarization programme for its Independent Directors. The details of familiarization programme is available on Company's website at:

<http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

2.7 Independent Directors' Meeting:

In accordance with the provisions of Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on March 13, 2020 and attended by all the Independent Directors of the Company. The Independent Directors, inter alia, reviewed the following;

- the performance of Non-Independent Directors and the Board as a whole;
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2.8 Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements)

Regulation, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board/Committee Governance. The Board have reviewed the performance of the individual Directors and the Chairperson.

The performance evaluation of the Directors was done based on criteria which included leadership qualities, contribution in strategic planning, balanced decision making, safeguard of confidential information, adherence to code of conduct, transparency, attendance, etc. In a separate meeting of Independent Directors, performance evaluation of Non-Independent Directors and the Board as a whole was evaluated. The performance evaluation of Independent Directors was done by the entire Board except for the Independent Director subjected to evaluation at the Board Meeting held on February 14, 2020.

3. Board Committees

The Board of Directors has constituted/reconstituted four committees viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The roles and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of these Committees are reviewed and taken note by the Board. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these committees are provided below:

3.1 Audit Committee

3.1.1 Composition and Meetings:

The composition of the Audit Committee is in conformity with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the year under review, five meetings were held on May 16, 2019, August 8, 2019, November 6, 2019, December 19, 2019 and February 14, 2020. The detail of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairman	5	5
Mr. Kewal Handa	Member	5	5
Dr. (Mrs.) Indu Shahani	Member	5	5
Mr. Thomas Wenger	Member	5	4

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. Sunirmal Talukdar, Chairman of the Committee was present at the Annual General Meeting held on August 8, 2019.

The Vice-Chairman & Managing Director and the Auditors are invitees to the meetings of the Audit Committee. Ms. Ameer Joshi acts as Secretary to the Committee.

3.1.2 Terms of reference:

The Terms of reference for the Audit Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and the rules framed thereunder and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The terms of reference are briefly described as under:

- a) Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law and to ensure that the financial statements are correct, sufficient and credible;
- b) Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions;
- d) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and Cost Auditor and the fixation of audit fees and terms of appointment;
- e) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- f) Approval and subsequent modification of transactions of the Company with related parties;
- g) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- h) Scrutiny of inter-corporate loans and investments;
- i) Valuation of undertakings or assets of the Company, wherever it is necessary;

- j) Evaluation of internal financial controls and risk management systems;
- k) Review the appointment, removal and terms of remuneration of Internal Auditors;
- l) Review with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
- m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Review of reports of Statutory and Internal Auditors and replies of the management thereon;
- o) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- q) Discussion with Internal Auditors of any significant findings and follow up there on;
- r) Review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors' Responsibility Statement, forming part of the Board's report in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;

- iii. Major accounting entries involving estimates based on exercise of judgment of management;
- iv. Significant adjustments made in the financial statements arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosures of any related party transactions;
- vii. Qualifications in the draft audit report;
- s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern and review of management representation letters to be issued to the Statutory Auditors;
- t) Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- u) Reviewing compliances as regards the Company's Whistle Blower Policy;
- v) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate;
- w) Carrying out any other function as may be referred by the Board, from time to time;
- x) reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

3.2 Nomination and Remuneration Committee

3.2.1 Composition and Meetings:

The composition of the Nomination and Remuneration Committee is in conformity Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the year under review, three meetings were held on May 16, 2019, August 8, 2019 and February 14, 2020.

The details of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairman	3	3
Mr. Kewal Handa	Member	3	3
Mr. Alfred Muench	Member	3	3

Ms. Ameer Joshi acts as Secretary to the Committee.

3.2.2 Terms of reference:

The brief terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors, other Directors and Key Managerial Personnel;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Identifying persons who are qualified to become Key Managerial Personnel (KMP) in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Identifying persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend to the Board on Remuneration payable to the Whole Time Directors, Key Managerial Personnel and Senior Executives.

3.2.3 Remuneration Policy:

The Nomination & Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

The Nomination & Remuneration Policy is available on the website of the Company at www.clariant.com

3.2.4 Remuneration paid to the Directors:

The Independent Directors are remunerated by way of sitting fees for attending each meeting of the Board and Committee thereof. They are also paid commission on an annual basis in accordance with the provisions of the Companies Act, 2013, read with Rules framed thereunder.

The details of remuneration paid/payable to the Directors for the year ended March 31, 2020 is given as under:

₹ in Lakhs					
Name of Director	Sitting fees ¹	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Commission	Total	No. of shares held as on March 31, 2020
Mr. Kewal Handa	9.95	-	10	19.95	Nil
Mr. Sunirmal Talukdar	11.60	-	8	19.60	Nil
Dr. (Mrs.) Indu Shahani	9.65	-	6	15.65	Nil
Mr. Adnan Ahmad ²	Nil	471.23	-	471.23	Nil
Mr. Sanjay Ghadge ³	Nil	289.67	-	289.67	Nil

¹ Exclusive of service tax.

² Mr. Adnan Ahmad has been re-appointed as Vice-Chairman & Managing Director of the Company w.e.f April 3, 2020 till April 2, 2023. The appointment of Mr. Adnan Ahmad may be terminated by giving not less than three months' notice to other party.

³ Appointed as the Director Finance & Chief Financial Officer of the Company w.e.f. August 8, 2019. Resigned as Chief Financial Officer of the Company w.e.f. January 1, 2020. He acts as Non-Executive Director of the Company effective from January 1, 2020.

Other than this, none of the Non-Executive Directors have any other pecuniary interest in the Company.

The Company has not framed any scheme/plan to grant stock option to its employees. However, few of the employees under senior management level including Vice-

Chairman and Managing Director have right to participate in Clariant Stock Option Plan introduced by the Ultimate Holding Company, Clariant AG.

3.3. Stakeholders' Relationship Committee

3.3.1 Composition and Meetings:

During the year under review, four meetings were held on May 16, 2019, August 8, 2019, November 6, 2019, and February 14, 2020. The composition and details of the meetings attended by the members are given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	4	4
Mr. Adnan Ahmad	Member	4	4
Mr. Sunirmal Talukdar	Member	4	4

Ms. Ameer Joshi acts as Secretary to the Committee.

3.3.2 Terms of reference:

The brief terms of reference of Stakeholders Relationship Committee of the Board of Directors includes the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Details of Investors' Complaints

The Company and Link Intime India Private Limited (the Share Transfer Agent) attend to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company has retained the services of a Practising Company Secretary to perform audit of reconciliation of share capital and provide the report on quarterly basis. No non-compliance from established procedures is reported.

Ms. Ameer Joshi, Company Secretary is the compliance officer pursuant to the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 13 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, investors' grievance redressal status and the number of pending complaints are reported every quarter to the stock exchanges. There were no investor complaint pending as on March 31, 2020. Detail of Investors' Complaint received and resolved during the year ended March 31, 2020 is given below;

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Annual Reports	2	2
Non-receipt of Declared Dividend	3	3
Non-receipt of Share Certificates	1	1
IEPF Claim	1	1
Total	7	7

3.4 Corporate Social Responsibility (CSR) Committee

3.4.1 Composition & Meetings:

The composition of the Corporate Social Responsibility Committee is in conformity with the provisions of Section 135 of the Companies Act, 2013.

During the year under review, one meeting was held on May 16, 2019. The composition and details of the meeting attended by the members are given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	1	1
Mr. Adnan Ahmad	Member	1	1
Mr. Karl Holger Dierssen*	Member	1	0
Mr. Kewal Handa	Member	1	1

* Resigned from the Directorship of the Company from the close of working hours of May 31, 2019

3.4.2 Terms of reference:

The brief terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

4. Subsidiary Company

The Company did not have any Subsidiary Company during the year under review.

5. General Body Meetings

The details of Annual General Meetings of the Company held during preceding 3 years are as follows:

AGM	Date and Time	Venue	Special Resolutions Passed
60 th	August 11, 2017 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	Approval of appointment and remuneration payable to Mr. Adnan Ahmad, Vice-chairman and Managing Director for a period of three years w.e.f April 3, 2017.
61 st	August 9, 2018 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	None
62 nd	August 8, 2019 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	Re-appointment of Dr. (Mrs.) Indu Shahani as Independent Director of the Company for second term of 5 years.

During the year under review, the members have passed three Special Resolutions through Postal Ballot in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 details of which are as below:

- Approval for appointment of and remuneration payable to Mr. Sanjay Ghadge as Director Finance & Chief Financial Officer for a period of three years w.e.f August 8, 2019. The Board of Directors had appointed Bhadresh Shah & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process. The result of the postal ballot process as per the scrutinizer report is given below:

Category	No. of shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	11772050	11772050	100.0000	11772050	0	100.0000	0.0000
Public Institutions	865192	175382	20.2709	175382	0	100.0000	0.0000
Public Non Institutions	10444556	1432353	13.7139	1430923	1430	99.9002	0.0998
Total	23081798	13379785	57.9668	13378355	1430	99.9893	0.0107

- Approval of members for sale of the Masterbatch Business of the Company to PolyOne Polymers India Private Limited or its affiliate in India as a 'going concern' on a slump sale basis under Section 2 (42C) of the Income Tax Act, 1961. The Board of Directors had appointed Bhadresh Shah & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process. The result of the postal ballot process as per the scrutinizer report is given below:

Category	No. of shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	11772050	11772050	100.0000	11772050	0	100.0000	0.0000
Public Institutions	1325346	37948	2.8633	37948	0	100.0000	0.0000
Public Non Institutions	9984402	832231	8.3353	831993	238	99.9714	0.0286
Total	23081798	12642229	54.7714	12641991	238	99.9981	0.0019

- Approval of members for re-appointment of and remuneration payable to Mr. Adnan Ahmad, as Vice-Chairman and Managing Director of the Company for a period of three years with effect from April 3, 2020. The Board of Directors had appointed Bhadresh Shah & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot process. The result of the postal ballot process as per the scrutinizer report is given below:

Category	No. of shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	11772050	11772050	100.0000	11772050	0	100.0000	0.0000
Public Institutions	1523818	836660	54.9055	836660	0	100.0000	0.0000
Public Non Institutions	9785930	611774	6.2516	606119	5655	99.0756	0.9244
Total	23081798	13220484	57.2767	13214829	5655	99.9572	0.0428

The above resolutions were passed by the requisite majority and results were announced as required by the law.

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 20, 2020.

6. Disclosures**6.1 Related party transactions:**

Related party transactions have been disclosed under Note 41 of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with 'Indian Accounting Standard 24' and pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The Company has formulated a policy on dealing with Material Related Party Transactions. The Policy is available on the website of the Company i.e. <http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

None of the transactions with related parties were in conflict with the interest of the Company. Company's major related party transactions, during the year under review, are with the affiliates of Clariant operating worldwide. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

6.2 Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the compliance of the same is affirmed by them annually. In addition, code of business conduct formulated by Clariant group is applicable to all employees of the Company. The Code of Conduct is available on Company's website <http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

The Vice-Chairman & Managing Director has confirmed the compliance of code of conduct as required under Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and provided a declaration as under:

I, Mr. Adnan Ahmad, Vice Chairman & Managing Director of the Company do hereby give this declaration pursuant to Regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., www.clariant.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended March 31, 2020.

6.3 Prohibition of Insider Trading:

The Company has framed a Code of Conduct for Prohibition of Insider Trading as per the amended SEBI (Prohibition of Insider Trading) Regulations, 2015. The code is applicable to all Directors and such employees of the Company who have access to unpublished price sensitive information relating to the Company. Transaction for dealing or trading in the prescribed volume of the security of the Company during the prescribed time requires prior approval from the Company.

6.4 Disclosure of Accounting Treatment:

The Financial statements of the Company for the year ended March 31, 2020 are prepared in conformity with the Indian Accounting Standards (Ind AS).

6.5 Proceeds from public issues, rights issues, preferential issues, etc.:

During the year under review, the Company has not raised any proceeds through public issues, rights issues, preferential issues, etc.

6.6 Management:

- Management Discussion & Analysis report forms part of Directors' Report.
- There were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interests of the Company at large.

6.7 Compliance:

The Company has complied with all regulatory requirements. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during last three years.

6.8 Whistle Blower Policy:

The Company has adopted Group's Integrity Line Policy which is akin to Whistle Blower Policy or Vigil Mechanism Policy for employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimized employees and spreads the way to curb those practices being followed in the office premises. None of the personnel of the Company has been denied access to the Audit Committee.

6.9 Commodity Risk and Hedging Activities:

Specialty Chemical industry is exposed to high risk of volatile prices, stringent government regulations and availability of raw materials/traded goods. Clariant mitigates/hedges the said risks by its sustainable strategy consisting of structured approach to reduce cost and controls price fluctuation by quarterly price contracts, volume bundling and deployment of new vendors.

7. Means of Communication

All important information relating to the Company, its performance, shareholding pattern, quarterly results, press releases and other information as per the SEBI Regulations are regularly posted on Company's website and also forwarded to the Stock Exchanges. The quarterly, half-yearly and annual Financial results of the Company are published in newspapers like Business Standard and Sakaal, circulating in the local area. These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited.

8. General Shareholder Information

8.1 Annual General Meeting:

Day, Date & Time : Thursday, August 20, 2020 at 04.00 p.m.

Mode : The 63rd Annual General Meeting (AGM) of the Company will be held through Video Conference (VC)/ Other Audio-Visual Means (OAVM).

8.2 Financial Calendar:

- Financial Year April 1 to March 31.

Proposed Calendar for FY 2020-21

1 st Quarter Results	On or before August 14, 2020
2 nd Quarter Results	On or before November 14, 2020
3 rd Quarter Results	On or before February 14, 2021
Annual Results	On or before May 30, 2021
Annual General Meeting	In the month of August 2021

8.3 Dates of Book Closure:

Book Closure dates August 19, 2020 to August 20, 2020 (Both days inclusive)

8.4 Listing of Shares:

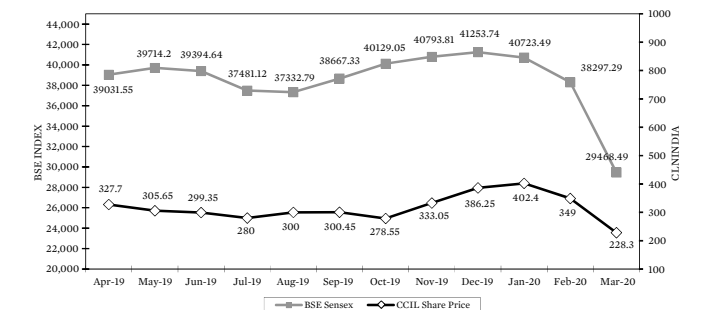
Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID '506390' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2021 to both the Stock Exchanges.

8.5 Corporate Identification Number (CIN) of the Company: L24110MH1956PLC010806

8.6 Stock Market Data - Price per share:

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High ₹	Low ₹	Volume (Nos.)	High ₹	Low ₹	Volume (Nos.)
2019-20						
April 19	369.00	327.00	37939	370.00	326.05	281429
May 19	330.00	292.25	90634	333.90	293.05	513494
June 19	312.80	293.05	364154	313.00	292.05	613501
July 19	314.00	276.25	64680	314.00	277.00	225077
August 19	317.30	265.10	63181	318.80	264.00	546041
September 19	320.95	293.45	57697	319.85	294.20	335524
October 19	299.80	265.10	125533	302.00	270.00	325637
November 19	344.15	276.20	219071	344.15	275.55	1545070
December 19	404.00	305.90	169655	405.85	306.00	1558984
January 20	422.70	373.25	123817	423.50	373.25	1101530
February 20	478.15	325.00	257382	477.90	323.20	2377100
March 20	362.95	192.00	162048	364.00	183.25	1154804

8.7 Performance in comparison to broad based indices (Taken BSE Index):



8.8 Address for correspondence:

A) Share Transfer Agents:

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra
Tel: 022 - 49186000
E-mail id.: rnt.helpdesk@linkintime.co.in
Contact Person: Miss Shruthi Shetty
E-mail ID for Investor Services:
investor.relations_India@clariant.com

B) Company's Registered Office:

Reliable Tech Park, Gut No. 31, Village Elthan,
Off Thane-Belapur Road, Airoli, Navi Mumbai- 400 708
Maharashtra
Tel: 022 - 71251000

The shareholders having physical shares are requested to ensure that any correspondence for change of address, change of bank mandates etc. should be signed by the first named shareholder and supported by the documents such as Aadhar Card, Telephone or Electricity Bill in the name of shareholder or a family member along with a copy of PAN card.

In case shares of the Company are held in electronic form (i.e., in dematerialized form), all communications concerning rematerialization of shares, transfer and transmission, dividends, change of address, furnishing of alterations in bank account details, nominations, ECS credit of dividend amount to shareholders' bank account or other inquiries should be addressed **only to the Depository Participant (DP) with whom demat account is maintained, quoting client ID number and not to the Company or the R&T Agent. This is because once the shares are dematerialized the data is maintained by the DPs and the Company cannot alter the details and has to act on the basis of the details downloaded from NSDL or CDSL as the case may be.**

For any assistance from the Company, members may contact Ms. Ameer Joshi, Company Secretary, at the registered office of the Company.

8.9 Shareholding pattern as on March 31, 2020:

Sr. No.	Category	No of Shares held	Percentage of Shareholding
A	Promoters' Holding		
	Foreign Promoters		
(a)	Clariant Plastics & Coatings Limited	7662624	33.20
(b)	EBITO Chemiebetteilungen AG	4109426	17.80
	Sub-Total	11772050	51.00
B	Institutional Investors		
(a)	Mutual Funds /Alternate Investment Funds	16799	0.07
(b)	Financial Institutions/ Banks	333279	1.44
(c)	Insurance Companies	770624	3.34
(d)	Foreign Portfolio Investors(Corporate)	52897	0.23
(e)	Foreign Institutional Investors	0	0.00
	Sub-Total	1173599	5.08
C	Others		
(a)	Domestic Companies	662207	2.87
(b)	Non Resident Indians/Trusts	539748	2.34

Sr. No.	Category	No of Shares held	Percentage of Shareholding
(c)	Indian Public	8808834	38.16
(d)	Foreign Nationals	225	0.00
(e)	Government Companies	0	0.00
(f)	Investor Education And Protection Fund	108988	0.47
(g)	NBFCs Registered with RBI	16147	0.07
	Sub-Total	10136149	43.91
D	Total Public Shareholding (B+C)	11309748	49.00
	TOTAL (A+D)	23081798	100.00

22,692,164 equity shares of the Company are held in dematerialized form constituting 98.31% of the paid up capital as on March 31, 2020. The total number of shareholders as on March 31, 2020 is 39,571*.

* No. of Shareholders are not clubbed as per their PAN.

8.10 Details of Members holding > 1 % of the paid up capital of the Company:

Sr. No.	Name of the Shareholder	As at 31-March-2020		As at 31-March-2019	
		No. of shares	%	No. of shares	%
1	Clariant Plastics and Coatings Ltd	7662624	33.20	7662624	33.20
2	EBITO Chemiebetteilungen AG	4109426	17.80	4109426	17.80
3	Bajaj Allianz Life Insurance Company Ltd.	770624	3.34	575503	2.49

8.11 Distribution of shareholdings as at March 31, 2020:

No. of equity shares held	Shareholders		Equity Shares held	
	Numbers	%	No. of shares	%
1 - 500	36259	91.63	3458008	14.98
501 - 1000	1893	4.78	1426428	6.18
1001 - 2000	795	2.01	1151677	4.99
2001 - 3000	245	0.62	606375	2.63
3001 - 4000	114	0.29	404458	1.75
4001 - 5000	88	0.22	404143	1.75
5001 - 10000	112	0.28	793820	3.44
10001 & above	65	0.17	14836889	64.28
Total	*39571	100.00	23081798	100.00

*No. of Shareholders are not clubbed as per their PAN.

8.12 Names of Depositories for dematerialization of equity shares:

Name of the Depository	ISIN No.
National Securities Depositories Limited (NSDL)	INE492A01029
Central Depository Services (India) Limited (CDSL)	INE492A01029

Trading in equity shares of the Company is permitted only in dematerialized form.

8.13 ADRs/GDRs/Warrants:

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

8.14 Plant Locations:

The Company's current manufacturing facilities are located at:

- 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

8.15 Credit Ratings:

During the year under review the Company had not subjected itself for any Credit Rating.

8.16 Certificate from Company Secretary:

A Certificate from M/s. J R Ahuja & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI and/or Ministry of Corporate Affairs, or any such statutory authorities, is annexed at the end of this report.

8.17 Fees paid to Statutory Auditors:

The Company had paid the Statutory Auditors, in connection of the work related to Audit carried out by them and other activities as approved by the Audit Committee, for the Financial year 2019-20, as below:

₹ In lakhs	
Nature of Engagement	FY 2019 - 20
As auditors	19.58
For other services	19.95
For reimbursement of expenses	2.94
Total	42.47

8.18 Recommendation of Committee:

There were no recommendations of any Committee of the Board which is not accepted by the Board during the Financial year 2019-20. All the Committee recommendations have been duly accepted by the Board after deliberations.

8.19 Instances of Sexual Harassment of Women:

The particulars of instances of sexual harassment of women at workplace of Clariant is as follows:

Number of complaints filed during the Financial year	1
Number of complaints disposed of during the Financial year	1
Number of complaints pending as on end of the financial year	Nil

8.20 Utilization of funds raised through Preferential allotment or Qualified Institutions Placement:

The Company has not allotted any specified security to anyone on Preferential basis or to Qualified Institutional Buyers in terms of Regulation 32 (7A) of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015.

9. Additional Information

9.1 Unpaid/Unclaimed Dividend Shares:

In terms of the provisions of Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company is obliged to transfer dividends which remain Unpaid or Unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Further, in addition to the Unpaid or Unclaimed Dividend required to be transferred by the Company to IEPF, equity shares relating to such Unclaimed/Unpaid Dividend and lying unpaid/unclaimed for seven consecutive years or more are also required to be transferred to the Investor Education and Protection Fund Suspense Account ('IEPF Suspense Account').

In accordance with the requirements as set out in the IEPF Rules, the Company have transferred 1,08,988 shares to IEPF Suspense Account as on March 31, 2020. The Company has uploaded the details of such shareholders on its website www.clariant.com.

Members are hereby informed that the 7 years period pertaining to Interim Dividend for Financial year 2013 will expire on September 4, 2020 and thereafter the amount standing to the credit in the said account and the shares in respect of such unclaimed dividend will be transferred to the 'Investor Education and Protection Fund' of the Central Government. Members are therefore requested to encash the dividend at the earliest.

Due date of completion of 7 years for various outstanding Dividend accounts is given below;

Financial Year/ period	Date of Declaration	Date of completion of seven years
2013 (Interim)	30.07.2013	04.09.2020
2013 (Final)	06.05.2014	11.06.2021
2014 (Interim)	18.07.2014	23.08.2021
2015 (Interim)	12.01.2015	17.02.2022
2015-16(Final)	12.08.2016	18.09.2023
2016-17 (Final)	11.08.2017	16.09.2024
2017-18 (Final)	09.08.2018	14.09.2025
2018-19 (Interim)	01.11.2018	07.12.2025
2018-19 (Final)	08.08.2019	13.09.2026

Please note that no claim shall lie against the Company in respect of the unclaimed dividend amount and equity shares transferred to IEPF, pursuant to IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares transferred to IEPF Suspense Account from IEPF Authority by making an Application in Form IEPF-5 online and sending the physical copy of the same duly signed (as per registered signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company at its registered office or to Link Intime for verification of the claim.

9.2 Detail of Unclaimed Shares:

The detail of unclaimed shares is given below;

Aggregate number of shareholders and the outstanding unclaimed shares at the beginning of the year	346 shareholders 41766 shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	05 Shareholders
Number of unclaimed shares were transferred during the year	177 shares
Number of shareholders involved in IEPF4	26 shareholders
Number of shares involved in IEPF4	1531 shares
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	315 shareholders 40058 shares

The voting rights on the outstanding unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

9.3 Bank Mandate:

Electronic Clearing Services (ECS) is a method of payment of dividend whereby the amount due to investors can directly be credited into their bank accounts, without having to issue paper instruments. It is fast and there is no scope for loss of dividend warrants in transit and possible fraudulent encashment.

In case of shares held in physical form the bank details may be sent to the Registrar & Share Transfer Agents. In case of shares held in demat form, the bank details provided by the Depository Participant (DP) with whom the demat account is maintained will be applicable. All previous instructions given by you to the Company in respect of ECS and bank details will stand superseded by the ECS details recorded with your DP.

9.4 Nomination Facility:

A member can nominate a person who shall have rights to shares and/or amount payable in respect of shares registered in his name in the event of his death. The nomination form can be obtained from the Company's Share Transfer Agent or downloaded from the website of the Company at www.clariant.com.

9.5 Consolidation of folios and avoidance of multiple folios:

Members having multiple folios are requested to consolidate their folios into single folio and for this purpose send request along with the original certificates to the Share Transfer Agent specifying the folio number under which they desire to hold the shares.

9.6 Communication:

In order to save the environment and in order to initiate e- communication, the Company requests all shareholders to register their email address with the depository, in case of shares held in demat form or with the Share Transfer Agents for shares held in physical form. This will facilitate the Company and Share Transfer Agents to send the communication through electronic mail which is faster and cost effective.

9.7 Non-Mandatory requirements:

The status of compliance with non-mandatory recommendations under Part E, Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided below:

9.7.1 The Board: There is no separate Chairperson's office maintained by Non Executive Chairman of the Company.

9.7.2 Shareholders' Rights: As the quarterly and half yearly financial performances are published in the newspapers

and are also posted on the Company's website, the same are not being sent to the shareholders.

9.7.3 Modified Opinion(s) in the Audit Report and Audit Qualifications: There are no modified opinion in the Audit Report and the Company's financial statement for the year ended March 31, 2020 does not contain any audit qualification.

9.7.4 Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

10. CEO/CFO Certification

Mr. Adnan Ahmad, Vice-Chairman & Managing Director, has provided annual certificate on financial reporting and internal controls to the Board pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate was placed and taken on record at the Board Meeting held on June 17, 2020. They have also provided quarterly certificates on Financial results while placing the Financial results before the Board.

For and on behalf of the Board of Directors

Kewal Handa
Chairman
DIN (00056826)

Adnan Ahmad
Vice-Chairman & Managing Director
DIN (00046742)

Mumbai, June 17, 2020