

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

Sr. No.

1. Name and Registered
Address of the Sole/First
Named Shareholder
2. Name(s) of the Joint holder (s),
If any(in block letters)
3. Registered Folio Number#/
DP ID No./ Client ID No.*
#(Applicable to shareholders holding
shares in physical form)
(*Applicable to investors holding
shares in demat form)

4. Number of shares held

I/We hereby exercise my/our vote in respect of the special resolution stated in the notice dated December 16, 2013 of the Company by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick mark(√) at the appropriate column below:

Resolution No.	Description	No. of shares held	Nature of Voting	Please tick (√) in the appropriate box
1	Special resolution pursuant to Section 293(1)(a) of the Companies Act, 1956 , 180 (1)(a) of the Companies Act, 2013 for sale of the Leather Services Business of Clariant Chemicals (India) Limited to M/s. Stahl India Private Limited or any other entity in India being affiliate of Stahl Holdings B.V.Group incorporated in India.		I/We assent to the resolution (FOR)	
			I/We dissent to the resolution (AGAINST)	

Place:

Date:

(Signature of the Member)

Following Particulars to be used only in case Member opts for e-voting
ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD

Note: Please read carefully the instructions printed overleaf before exercising your vote.

Notice Pursuant to Section 192A of the Companies Act, 1956 read with Companies(Passing of Postal Ballot) Rules, 2011

Dear Member(s)

Notice is hereby given pursuant to Section 192A (2) of the Companies Act, 1956 and pursuant to the provisions of section 110 of the Companies Act, 2013 (“**Act**”) and all other applicable provisions if any, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (“**Rules**”), as amended from time to time, to the members of Clariant Chemicals (India) Limited (“**Company**”) to consider and if thought fit to pass the resolution herein below as “Special Resolution” by postal ballot.

The resolution together with the explanatory statement containing all material facts is being sent herewith along with a postal ballot form (“**Form**”) and a self-addressed, postage pre-paid envelope for your consideration and voting.

The Board of Directors of the Company (“**Board**”) has appointed Ms. Ragini Chokshi, a Practicing Company Secretary as scrutiniser (“**Scrutiniser**”) who will be responsible for the fair and transparent conduct of the vote through postal ballot in accordance with the provisions of the Act and the Rules. The Board of Directors has appointed Dr. Deepak Parikh, Vice-Chairman and Managing Director and Mr. Bankatal Gaggar Executive Director Finance & Company Secretary of the Company, as the persons responsible jointly and severally for the entire postal ballot process.

Members are requested to read the instructions carefully before filling the Form and return the Form (no other copy or photocopy of the said Form will be accepted) duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutiniser by no later than on Friday, 31st January, 2014 at 5.00 p.m. Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company. It is, however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutiniser.

The Company is pleased to offer e-voting facility as an alternative way to record votes to its individual members. The procedure for availing the e-voting facility is described as a separate section on the instruction page. Kindly note that while exercising their vote, equity shareholders can opt for only one of the two modes of voting i.e. either through the Form or e-voting . If you are opting for e-voting, then do not vote through the Form and vice versa.

The Scrutiniser will submit her report to the Chairman of the Company or in his absence to the Vice-Chairman & Managing Director of the Company after completion of scrutiny of postal ballot Forms received. The result of voting by postal ballot will be announced at 4 pm on Tuesday, 4th February, 2014 at the registered office of the Company. Additionally, the result will be posted on the Company’s website, www.clariant.in and will be communicated to the stock exchanges where the equity shares of the Company are listed and will be published in newspaper(s). The date of declaration of the result of the postal ballot shall be the date on which the appended resolution would be deemed to have passed, if approved by requisite majority. The members are requested to consider and, if thought fit, pass the following resolution as a special resolution:

The resolution will be deemed to have been passed on the date of declaration of the results of the postal ballot, if approved by the requisite majority.

PROPOSED SPECIAL RESOLUTION

To consider and, if thought fit, to pass with or without modification(s) the following resolution as “Special Resolution”:

“**RESOLVED THAT**, pursuant to the provisions of Section 293(1)(a) and section 192A of the Companies Act, 1956 and section 180 (1)(a) and section 110 of the Companies Act, 2013 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and subject to applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, consents, permissions and sanctions from any regulatory or governmental authority or third party as may be required and which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to (hereinafter referred as the “**Board**”) transfer, sell or otherwise dispose off its business of Leather Services , (more particularly described as “Leather Services Business”) along with employees, assets, liabilities including all licenses, leases, permits, consents and approvals thereto as a going concern by way of a slump sale to M/s. Stahl India Private Limited or any other entity in India being an affiliate of Stahl Holdings B.V. Group, for a consideration not less than Rs. 156 crores. subject to necessary adjustment as on the effective date ”

“**RESOLVED FURTHER THAT** Leather Service “Business” for the purpose of the above resolution means:

- a) All assets and property of the Company, situated in India whether movable or immovable (owned or leased), tangible or intangible (including brand names), real or personal, in possession or reversion, corporeal or incorporeal, of whatsoever nature, all lands, buildings, plant and machinery, offices, capital work-in-progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), benefit of any deposits, benefit of any bank guarantees, performance guarantees and letters of credit in relation to its business of Leather Services, including but not limited to the entire plant at Singadivakkam Village, Attuputtur, Post Enathur, Kanchipuram-631 561 in the state of Tamilnadu.
- b) All permits, quotas, rights, entitlements, industrial and other licences, patents, copyrights, records, designs, R&D, applications, sales and marketing organization and all other intellectual property rights pertaining to Leather Services, municipal and governmental permissions, approvals, consents, and other permissions, lease rights, licences, power and facilities of every kind, nature and description whatsoever;
- c) All earnest moneys and/or security deposits paid by the Company in connection with or relating to the business of Leather Services.
- d) All books, records, files, papers, engineering and process information, computer programme, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists or present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the business of Leather Services.
- e) All debts, borrowings, obligations and liabilities, both present and future, (including contingent liabilities and obligations under any licenses of permits or schemes), whether secured or unsecured, appertaining or directly relating to the business of Leather Services.

RESOLVED FURTHER THAT, in the event of any difficulty arising as to whether any particular item or thing is a part of the Leather Services Business, the Board shall have full power and authority to determine the same.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution in the best interests of the Company and its shareholders (including entering into any agreements and documents necessary for the transfer of the Leather Services Business to a company incorporated in India as the Board may in its absolute discretion deem necessary or desirable.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any person to give effect to the aforesaid resolutions.”

By Order of the Board of Directors
For Clariant Chemicals (India) Limited

B.L. Gaggar
Executive Director - Finance & Company Secretary

Place: Thane
Date: Dec. 16, 2013

Notes:

- 1) An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 and section 102 (1) of the Companies Act, 2013 in respect of business specified above is annexed hereto.
- 2) Only a member who is entitled to vote is entitled to exercise his/her vote through postal ballot. Voting rights of every member shall be reckoned on the paid-up value of shares whose names shall appear in the register of Members as on December 20, 2013 and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.
- 3) The date of dispatch of notice will be announced through advertisement in newspapers.
- 4) Member’s voting rights shall be in proportion to his/her/its share of the paid up equity share capital of the Company.
- 5) The shareholders are requested to exercise their voting rights by using the attached postal ballot Form only. No other form or photocopy of the form is permitted.
- 6) Postal ballot and self-addressed postage pre-paid envelope are enclosed.
- 7) In accordance with section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the item of business set out in the notice above is sought to be passed through postal ballot.
- 8) Members are requested to cast their vote on the Postal Ballot only through one mode (Postal Ballot Form or e-voting). In case members cast their votes through both the modes, votes cast through Postal Ballot only would be considered and votes cast through e-voting Form will be rejected.
- 9) The scrutinizer, after completion of scrutiny of the postal ballot forms, will submit her report to the Chairman or Vice-Chairman & Managing Director of the Company. The scrutinizer’s decision on the validity of the postal ballot shall be final. The result of voting will be announced at 4.00 p.m. on Tuesday, 4th Feb, 2014 at the registered office of the company, besides communicating to Bombay Stock Exchange Limited and National Stock Exchange Limited. In the event the draft resolution is assented by requisite majority of the shareholders by means of postal ballot, the date of declaration of the result shall be deemed to be the date of passing of the said resolution.

Explanatory statement as required under Section 173(2) of the Companies Act, 1956 and section 102 (1) of the Companies Act, 2013

Sale of Business of Leather Services:

Clariant Chemicals (India) Ltd. (“Company”) is currently engaged, inter alia, in the business of pigments, additives, masterbatches, industrial & consumer specialties, leather services and oil and mining services and has manufacturing plants located at Roha, Kolshet (Maharashtra), Cuddalore and Kanchipuram (Tamilnadu).

The Company on October 30, 2013 has informed the stock exchanges that Clariant International, a world leader in specialty chemicals, the holding company of Clariant Chemicals (India) Ltd., announced on that day that it plans to sell its Leather Services business to Stahl Group Company. Stahl Holdings B.V., a member of Wendel Group, is a Dutch company providing high quality chemicals, dyes and coatings for leather and other applications. The combination of both businesses would create a global leader in leather chemicals with a larger and higher growth profile than the stand-alone entities and with significant synergy potential.

Clariant Chemicals (India) Ltd. is active in Leather Service business and this has contributed about 16% of net sales revenue of the company for the current period of 9 months upto Sept. 2013. The proposal to divest its leather service business is considered by the Board and will be subject to appropriate approvals, as may be required under Companies Act.

Considering its long-term strategy and overall objective to serve markets with future perspective and strong growth rates, Clariant decided to sell its Leather Services Business and thereby reposition its portfolio. In order to align with the long term strategic intent of the group, the Company intends to sell the Leather Services Business together with the assets pertaining to this business.

In accordance with Section 293(1)(a) of the Companies Act, 1956 and section 180(1) (a) of the Companies Act, 2013 read with Rule 5 of the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the Company seeks the consent of its shareholders through postal ballot for the sale of the Leather Services Business together with assets and liabilities, the details of which are given above as a going concern by way of a slump sale to M/s. Stahl India Private Limited or any other entity in India being affiliate of Stahl Holdings B.V. Group for a consideration not less than Rs. 156 crores. The consideration so received by the Company (net of tax) will be used for furtherance of the Company’s business.

The services of managers and workers currently dedicated for the operations of the Leather Services business (including marketing and laboratories) and from amongst various support services and administrative functions as may be required will be transferred to the acquiring company.

The Board is of the opinion that the aforesaid restructuring is in the best interests of the Company and recommends the passing of the special resolutions set out in the above Notice by the members through postal ballot.

None of the directors of the Company are concerned or interested in this resolution.

By Order of the Board of Directors
For Clariant Chemicals (India) Limited

B.L. Gaggar
Executive Director Finance &
Company Secretary

Registered Office: P.O. Sandoz Baug,
Kolshet Road, Thane,
Maharashtra 400 607

Place: Thane
Date: Dec. 16, 2013

INSTRUCTIONS FOR POSTAL BALLOT FORM

- 1) A member entitled to vote and desirous of exercising his/her vote by postal ballot may complete this postal ballot form (“Form”) and send it to the Scrutiniser in the attached self-addressed envelope. Inland Postage will be borne and paid by the Company. However, any envelope containing postal ballot, if deposited in person or sent by courier at the expenses of the Registered Member will also be accepted. It is, however, clarified that Members desiring to exercise their vote from outside India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutiniser at their own cost.
- 2) A member may convey his/her/its assent/dissent in this Form. The consent of the Member must be accorded by recording the assent in the column ‘FOR’ and dissent in the column ‘AGAINST’ by placing a tick mark (✓) in the appropriate column. Assent or dissent received in any other manner will not be considered valid.
- 3) The self addressed postage pre-paid envelope bears the name of the Scrutiniser appointed by the Board of Directors of the Company.
- 4) This Form must be completed and signed by the Member. In case of joint-holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his absence, by the next named Member.
- 5) Unsigned, incomplete, improperly or incorrectly ticked Forms shall be rejected.
- 6) The postal ballot shall not be exercised by a proxy.
- 7) The duly completed Form should reach the Scrutinizer before the close of working hours i.e. at 5.00 p.m. on January 31, 2014. All Forms received after this date will be strictly treated as if reply from such Member has not been received.
- 8) Where the Form has been signed by the authorised representative of a body corporate, trust or society, a certified true copy of the Board Resolution authorizing such representative to vote on the resolution on behalf of the body corporate, trust or society should accompany the Form. If this Form is signed by a power of attorney holder for and on behalf of a Member, it must be accompanied by an attested true copy of such power of attorney.
- 9) Voting rights shall be reckoned on the paid-up value of the Equity Shares registered in the name of the Member as on December 20, 2013.
- 10) Members are requested not to send any extraneous paper along with the Form in the enclosed self-addressed postage pre-paid envelope inasmuch as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would not be taken cognizance of and shall be destroyed by the Scrutinizer.
- 11) There will be one Form for every Registered Folio/Client ID, irrespective of the number of joint holders.
- 12) A member may request a duplicate Form, if so required from the Company. However, the duly filled in duplicate Form should reach the Scrutinizer, not later than the date and time specified at item 7 above.
- 13) Members are requested to fill in the Form with indelible ink and not by any erasable writing mode.
- 14) The Scrutinizer’s decision on the validity of the postal ballot will be final.
- 15) The result of voting by postal ballot will be announced at 4.00 p.m. on February 4, 2014 at the registered office of the Company. Additionally, the result will be posted on Company’s website www.clariant.in and will be communicated to the BSE and NSE where the equity shares of the Company are listed and will be published in newspaper(s). The date of declaration of the result of the postal ballot will be taken to be date of passing of the special resolution.
- 16) The Form along with Resolution and Explanatory Statement is being sent to Members having registered address outside India. Since postage pre-paid envelope is not valid for use from outside India, such Members desiring to exercise their vote from outside India will have to arrange for postage from the country where the ballot papers are dispatched.
- 17) The votes of a shareholder will be considered invalid on any of the following grounds and the Scrutinizer’s decision in this respect shall be final:

● If the member’s signature doesn’t tally

● If the member has marked his/her/its vote both “FOR” and also “AGAINST” the special resolution in such a manner that the aggregate shares voted “FOR” and “AGAINST” exceeds total number of shares held under Serial No. 4 of the Form

● If the Form is unsigned, incomplete or incorrectly filled

● If the Form is received torn or defaced or mutilated such that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are “FOR” or “AGAINST” or if the signature could not be verified or one or more of the above grounds.

INSTRUCTIONS FOR AVAILING E-VOTING FACILITY

- 1) e-Voting Facility

The Company is pleased to offer e-voting facility as an alternate, for its members to enable them to cast their vote electronically instead of dispatching postal ballot. The procedure for the same is as under:

i Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.

ii Now click on “Shareholders” to cast your votes.

iii Now, select the “Electronic Voting Sequence Number” (EVSN) along with “CLARIANT CHEMICALS (INDIA) LIMITED” from the drop down menu and click on SUBMIT.

iv Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For members holding shares in Physical Form
User-ID	For NSDL – 8 Character DP ID + 8 Digits Client ID; For CDSL – 16 digits beneficiary ID	Registered Folio Number with the Company
Password	“Your Unique password has been printed on the Postal Ballot Form”.	Enter the Password to be sent by the Company (For seeking the Password, the Members are requested to send a signed request letter informing an e-mail Id at which the “Password & Default Number” would be sent by the Company. Such request should be sent at the Registered Office of the Company/the Registrar and Share Transfer Agent.)
PAN or Default Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.	Enter the Default Number that would be e-mailed to you by the Registrars on your email id as provided by you as aforesaid.

v After entering these details appropriately, click on “SUBMIT”.

vi The members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now be required to mandatorily change their password in the new password field and may enter their demographic details, i.e., mobile number and email-id which will be used for sending the revised password incase the Member forgets the password and wants to reset it. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly remember that this password can be used by the demat shareholders for voting for resolution of Clariant Chemicals (India) Limited or any other company in which they are eligible to vote, provided that the other company opts for e-voting through CDSL’s platform. However, for shareholders holding shares in physical form, the password and default number can only be used for e-voting on the resolutions contained in this Postal Ballot Notice.

vii If you are a shareholder holding shares in demat form and had logged on to www.evotingindia.com and cast your vote for an earlier EVSN of any company, then you may use your existing log-in id and password.

viii On the voting page, you will see Resolution Description and option for voting YES/NO against Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.

ix Click on the Resolution File Link if you wish to view the entire resolution file. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

x After selecting the resolution you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.

xi Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.

xii Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at mail@csraginichokshi.com with a copy marked to helpdesk.evoting@cdslindia.com.

xiii Kindly note that the members can opt only one mode for voting, i.e., either by postal ballot or e-voting. If you are opting for e-voting, then do not vote by physical ballot also and vice versa. However, in case member(s) cast their vote both via postal ballot and e-voting, then the voting validly done through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

xiv If you wish to provide feedback on the e-voting system or you have any queries or issues regarding e-voting, please contact on the helpdesk.evoting@cdslindia.com.

2) Members holding shares in demat form, who have already changed their password on an earlier instance of voting for any EVSN (of any company) on www.evotingindia.com and do not remember such password, may go to the option “forgot password” on the top of the page after selecting the EVSN along with “Clariant Chemicals (India) Limited” and proceed. In respect of new members, their password will be mentioned in the email forwarding the notice electronically.