

Minutes of the Fifty-fifth Annual General Meeting of Clariant Chemicals (India) Ltd. held at J.K. Auditorium TMA House, Plot No. 6, Main Road, Wagle Estate, Thane (West) 400 604, Thursday, April 26, 2012 at 4.00 p.m.

Present:

Mr. R.A. Shah	-	Chairman
Mr. P.Palm	-	Vice-Chairman & Managing Director
Diwan A. Nanda	-	Director
Dr. H. Schloemer	-	Director
Mr. A. Muench	-	Director
Mr. P. Hammel	-	Director
Mr. B. L. Gaggar	-	Director Finance & Company Secretary
Mr. A.C. Khanna	-	Partner - M/s. Deloitte Haskins & Sells Chartered Accountants, Statutory Auditor

EBITO Chemiebeteteiligungen AG, Clariant International Ltd and Clariant Participations Limited by their representative Dr H. Schloemer and 88 members in person and/or through their proxies.

Statutory Records:

The following Registers/books/documents were laid on the table:

- ♦ Minute Book of Annual General Meeting
- ♦ Register of Proxies with Proxies
- ♦ Register of Directors' Shareholding
- ♦ Signed copy of the
 - Balance Sheet as at December 31, 2011
 - Profit and Loss Account for the year ended December 31, 2011
 - Directors' Report
 - Auditors' Report
- ♦ Report on Corporate Governance
- ♦ Memorandum & Articles of Association of the Company

The Chairman welcomed the members to the 55th Annual General Meeting of the Company.

The Chairman informed the members that the requisite quorum for the meeting was present and called the meeting to order.



The Chairman informed that the Company has received representations and proxies for 17109012 shares representing 64.17 % of the paid up capital of the Company.

Notice and Auditors' Report

With the consent of the members present, the Notice of the Meeting was taken as read. The report of auditors to the members of the Company was read by Mr. B.L.Gaggar, Director Finance & Company Secretary.

Chairman's Statement

Mr. R.A. Shah, Chairman - Clariant Chemicals (India) Limited said that, the Company was able to sustain business performance and in spite of general slow-down in demand both in domestic and international markets, it has registered a positive growth in sales on like to like basis. The operational performance for the year was not strictly comparable with that of 2010 due to the fact that the performance during the previous year included operations of manufacturing facilities at Balkum, Thane which was closed in December, 2010. He expressed in brief the business outlook and prevailing industrial scenario and highlighted the performance of the company for the financial year ended on December 31, 2011 and informed that –

- Total sales grew by 1.9% on like to like basis and were down by 1.9% on absolute basis.
- Domestic sales were down by 4.9 % whereas export sales was up by 9.3% .
- Exports contributed 23.6 % of total sales during the year.
- Increase in cost of raw materials and escalation in other operating costs resulted into lowering of profit before depreciation, interest and taxes (PBDIT) for 19.5% to 17.7.
- After considering exceptional income from sale of Balkum, Thane land, Net profit after tax (PAT) has gone up from ₹ 112.41 crores to ₹ 304.04 crores.
- Efficient management of working capital resulted into the net working capital (NWC) to sales ratio of 8.3 % which is one of the best in the industry.
- A sum of ₹ 266.51 crores stands invested in debt schemes of mutual funds as at the year end.
- The Company sustained its market position in most of the industry segments it represents.
- The Company had smooth operations at all its plants except that of Cuddalore plant which was affected due to cyclone at the year end. He expressed thanks to the excellent efforts of the staff at



Cuddalore, the productions was restored to normalcy with minor loss of productivity. The Company expects to recover loss caused due to cyclone from insurance company.

Mr. Shah stated that during the year, the directors had declared an interim dividend of Rs.30/- per share, comprising of special dividend of Rs. 25/- attributable to exceptional income from sale of Balkum Land and this was paid in August 2011 and that considering the policy of the Company and sustained performance for the year, the Board of Directors recommends a final dividend of Rs. 30/- per share. Together with the interim dividend, the total dividend for the year amounts to a record Rs. 60/- per share (600%) as compared to Rs.30/- per share (300%) paid for the previous year. The dividend pay-out ratio for the year is 61% of the Net Profit for the year.

Highlighting the performance for the first quarter of 2012, Mr. Shah informed that the Company has recorded the sales turnover (net of excise) of Rs.239.28 crore during the quarter ended March 31, 2012 as against Rs.228.17 crore in the same quarter of previous year. The profit before tax and exceptional items of Rs.34.2 crore is down from Rs.42.4 crores in the first quarter of 2011.

Mr. Peter Palm, Vice-Chairman and Managing Director presenting his view on the Company's performance stated that the business environment remained extremely challenging during the year. In general, sales growth kept pace with inflation, the pressure on net profits from rising raw material prices, wages and interest costs intensified across the sectors and net results were either lower than the previous period or not in line with sales growth.

Mr. Palm stated that due to slowing down of domestic demand, Clariant India had to face restraint on its growth drive which was one of the lowest in the recent past and that Clariant still see an enormous potential in the Indian market. The group has maintained its presence for over 50 years and with 4 production sites as at present, it has a well-established and efficient organisation structure. Until now around 70% of sales have been contributed by Textile Chemicals, Pigments and Leather service segments. Improving living standards and dynamic economic growth unlocks great potential for further growth. The Company continues to remain focused and has positioned itself as preferred supplier of products in the highly competitive business segments in which it operates.

The financial performance of the Company for quarter 1 of 2012, reflects improvement in sales growth, however, margins are under



pressure and based on its market position in most of the business segment it represents, the Company anticipates sustainable profitable growth and poised to seize opportunities that exist in chemical industry in India.

Resolution No. 1

Approval of Accounts

The Chairman then proposed the following Resolution as an **Ordinary** Resolution:

“RESOLVED THAT Audited Profit and Loss Account of the Company for the financial year January to December, 2011 the Balance Sheet as at December 31, 2011 and the Auditors’ Report and the Directors’ Report thereon be and are hereby adopted and approved”.

The Resolution was seconded by Mr. Manish Bhandari

Before the Resolution was put to vote, the Chairman invited questions and comments from the members relevant to the Accounts of the Company for the year ended December 31, 2011.

Mr. Beruz Pouredahi, Mrs. Hodayun Pouredahi, Mr. Dineshkumar Kotecha, Mr. Manish Bhandari, Mr. Pankaj K. Toprani and Mr. Yogesh Doshi, offered comments/raised queries on the statement of accounts of the Company.

The members expressed their compliments and satisfaction on the commendable performance of the Company particularly in view of the industry environment in which the Company operates.

Generally, the comments were made and attention was drawn on the following:

- Dividend payout ratio
- Declaration of Bonus
- Business prospectus of the Company in future
- Sale of Land at Balkum, Thane
- Corporate Governance
- Utilisation of surplus fund resulting from sale of land
- E-mail id of the Compliance Officer
- Investment spread



The Chairman responded to the comments and replied to the questions raised by the members.

Since there were no further comments/questions, the Chairman put the resolution regarding the adoption of the Annual Report and Accounts for the year ended December 31, 2011 to vote by show of hands and was carried unanimously.

Resolution No. 2

Approval of Dividend

The following resolution was proposed by Mr Pankaj K. Toprani as an **ordinary** resolution and seconded by Mr. Yogesh Doshi:

"RESOLVED THAT an interim dividend of ₹ 30.00 (Rupees Thirty) per equity share on 2,66,60,745 fully paid equity shares of face value of ₹ 10/- each declared by the Board of Directors on July 28, 2011 and paid to the members whose names appeared on the register of members on August 9, 2011 be approved as Interim Dividend for the year 2011.

RESOLVED FURTHER THAT a final dividend of ₹ 30. 00 (Rupees Thirty) per equity share on 2,66,60,745 fully paid equity shares of face value of ₹ 10/- each be paid to the members whose names appear on the register of members on April 14, 2012."

The Chairman put the resolution to vote by show of hands and was carried unanimously.

Resolution No. 3

Re-appointment of Mr. R.A. Shah

Chairman requested Mr. P. Palm to take next item of Agenda since this was related to his appointment:

The following resolution was proposed by Mr. Dineshkumar Kotecha as an **ordinary** resolution and seconded by Mr. Nitesh Thakkar

"RESOLVED THAT Mr. R.A. Shah who retires by rotation in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company and is eligible for re-appointment, be and is hereby re-appointed as a Director of the Company".



The Vice-Chairman put the resolution to vote by show of hands and was carried unanimously.

Resolution No. 4

Re-appointment of Auditors

The following resolution was proposed by Mr. Manish Bhandari, as an **ordinary** resolution and seconded by Mr. Simon Lopez

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the retiring Auditors of the Company (Regn No. 117365W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company and reimbursement of service tax and other applicable taxes, such as traveling and other out-of-pocket expenses as may be authorized by the Board of Directors."

The Chairman put the resolution to vote by show of hands and was carried unanimously.

Resolution No. 5

Re-appointment of Mr. P. Hammel:

The following resolution was proposed by Mr. Pankaj K. Toprani as an **ordinary** resolution and seconded by Mr. Beruz Pouredehi:

"RESOLVED THAT Mr. Philipp Hammel, who was appointed as a Director of the Company with effect from October 21, 2011 in the casual vacancy caused by the resignation of Mr. Heiner Meier and pursuant to the provisions of section 262 of the Companies Act, 1956 holds office up to the day of this Annual General Meeting and being eligible, offers himself for re-appointment and in respect of whom the Company has received notice in writing under section 257 of the Companies Act, 1956, from a shareholder signifying his intention to propose Mr. Hammel as a candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The Chairman put the resolution to vote by show of hands and was carried unanimously.



Vote of thanks to the Chair

There being no other business to transact, Mrs. Homa Pouredahi proposed a vote of thanks to the chair and the meeting was declared as concluded.


Chairman

Thane

Date: 02/05/2012

