

POSTAL BALLOT FORM

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

Sr. No.

- Name and Registered Address of the Sole/First Named Shareholder
- Name(s) of the Joint holder (s), If any(in block letters)
- Registered Folio Number#/ DP ID No./ Client ID No.*
#(Applicable to shareholders holding shares in physical form)
(*Applicable to investors holding shares in physical form)
- Number of shares held
- I/We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the special business stated in the notice dated March 26, 2013 of the Company by sending my/our assent (FOR) or dissent (AGAINST) to the said resolutions 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	Ordinary resolution pursuant to Section 293(1)(a) of the Companies Act, 1956 for sale of the TPE Business of Clariant Chemicals (India) Limited to a company incorporated in India under Companies Act, 1956, being wholly owned subsidiary of US based SK Capital partners or its affiliates, a wholly owned subsidiary of SK Capital		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**

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

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

Notice pursuant to Section 192 of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

Dear Member(s)

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956 ("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, and the Memorandum and Articles of Association of the Company, to the members of Clariant Chemicals(India) Limited ("Company") to consider and if thought fit to pass the resolution as "Ordinary Resolution" by postal ballot.

Pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 ("the Act"), sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of a Company or where a Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the share holders by way of an ordinary resolution. Further, pursuant to the provisions of Section 192A of the Act, read with the Rules, the consent/approval of the shareholders for the above purpose is required to be obtained by way of postal ballot.

The Company is proposing to sell its business of textile chemicals, paper specialties and emulsions ("TPE Business") as a going concern by way of a slump sale on an "as is where is basis" to a company incorporated in India under the Companies Act, 1956, being a wholly owned subsidiary of US based SK Capital Partners or its affiliates.

The Company is therefore seeking your consent for the said proposal. The resolution together with the explanatory statement containing all material facts is being provided below. 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 Mrs. 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, Managing Director and Mr. Bankatjal Gaggar 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. Rule 6(f) of the Rules specifies that any consent or otherwise received after thirty days from the date of completion of dispatch this notice shall be treated as if the reply from the member has not been received. We, therefore, request you to please return the Form duly completed in the attached self-addressed postage prepaid envelope, so as to reach the Scrutiniser by no later than the close of working hours on Wednesday, the 15th May, 2013. 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 in a separate section on the instruction page.

The Scrutiniser will submit her report to the Vice Chairman of the Company or in his absence to the 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 4.00 pm on Monday, 20th May, 2013 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 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 ORDINARY RESOLUTION

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an "Ordinary Resolution":

"RESOLVED THAT, pursuant to the provisions of Section 293(1)(a) and Section 192A read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and subject to applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), in accordance with the relevant portions of the Memorandum and Articles of Association of the Company, and the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited, 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 (hereinafter referred as the "Board") to transfer, sell or otherwise dispose off the business of textile chemicals, paper specialties and emulsions (more particularly described as "TPE Business") along with all its employees, assets, liabilities and including all licenses, land leases, permits, consents and approvals thereto as a going concern by way of a slump sale on an "as is where is basis" to a company incorporated in India under the Companies Act, 1956, being a wholly owned subsidiary of US based SK Capital Partners or its affiliates for a consideration of not less than Rs. 209.15 crore."

"RESOLVED FURTHER THAT the TPE Business for the purpose of the above resolution means:

- All assets and property of the Company, whether situated in India or abroad, whether movable or immovable (whether 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 the TPE Business, including but not limited to the textile plant covering approximately 9100 square meters of the plant situated at 113/114 M.I.D.C Industrial Area, PO Dhatav, Roha, Dist. Raigad – 402 116."
- 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 the TPE Business, municipal and governmental permissions, approvals, consents, and other permissions, lease rights, licences, power and facilities of every kind, nature and description whatsoever;
- All earnest moneys and/or security deposits paid by the Company in connection with or relating to the TPE Business;
- All books, records, files, papers, engineering and process information, computer programmes, 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 TPE Business;
- 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 TPE Business.

RESOLVED FURTHER THAT, in the event of any difficulty arising as to whether any particular item or thing is a part of the TPE 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 TPE Business to a company incorporated in India under the Companies Act, 1956, being a wholly owned subsidiary of US based SK Capital Partners, or its affiliates) 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
Company Secretary

Place: Thane
Date: March 26, 2013

Notes:

- 1) An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 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 April 5, 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 e-voting only would be considered and votes cast through Postal Ballot Form will be rejected.
- 9) The Scrutiniser, after completion of scrutiny of the postal ballot forms, will submit her Report to the Vice-Chairman and / or Managing Director of the Company. The Scrutinizer's decision on the validity of the Postal Ballot shall be final. The result of voting by postal ballot will be announced at 4.00 pm on Monday, 20th May, 2013 at the registered office of the Company. In the event the draft resolution is assented by requisite majority of the shareholders by means of Postal Ballot, the date of declaration of result shall be deemed to be the date of passing of the said Resolution. The results would also be displayed on the Notice Board of the Registered Office of the Company, besides communicating to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Explanatory statement as required under Section 173(2) of the Companies Act, 1956**Sale of Business of textile chemicals, paper specialties and emulsion:**

Clariant Chemicals (India) Limited ("**Company**") is currently engaged, inter alia, in the manufacture of pigments, additives, masterbatches, textile chemicals, paper specialties, emulsions, leather services industrial and consumer specialties and oil and mining services and has manufacturing plants located at Roha, Kolshet (Maharashtra), Cuddalore and Kanchipuram (Tamilnadu).

The Company on 27th December, 2012 had informed the stock exchanges that Clariant AG Switzerland the major shareholder of the Company, announced that US based SK Capital Partners has agreed to purchase the Clariant's business pertaining to textile chemicals, paper specialties and the business line emulsions which will inter alia include the transfer of the whole Research and Development, applications, sales and marketing organisation along with production plants and sites worldwide.

The Board of Directors of the Company, in its meeting held on March 26, 2013, approved the proposal for sale of the Company's business pertaining to textile chemicals, paper specialties and emulsion together with assets currently dedicated to the respective business of the Company along with all its employees as well as assets and liabilities including all licences, permits, consents and approvals whatsoever ("**TPE Business**"), as a going concern and by way of slump sale, subject to the approval of the shareholders, at a consideration of Rs.209.15 crores. The Board of Directors of the Company also approved the issue of notice of postal ballot to the shareholders of the Company under Section 192(A) of the Companies Act, 1956.

The proposed transaction thus involves the sale of the said business undertaking (**TPE Business**) of the Company to a company incorporated in India under the Companies Act, 1956, being a wholly owned subsidiary of US based SK Capital Partners or its affiliates. The TPE Business at present contributes about 35% of the net sales of the Company and includes a manufacturing plant for textile products situated at Roha and other assets dedicated to the business. The textile chemical plant situated at Roha covers approximately 9100 square meters out of the total plant site admeasuring about 156985 square meters (accommodating plants of various business units apart from textile chemical plant). The textile chemical plant of the TPE Business will be carved out as a separate factory and run by the acquiring company as a separate factory.

The proposed sale and transfer will be done as a going concern and by way of a slump sale and ensuring that the services of all employees of TPE Business will be transferred to the acquiring company with continuity of service and terms and condition of service no less favourable than the existing ones.

Under Section 293(1)(a) of the Act, the Board of Directors of a company shall not sell, lease or otherwise dispose off the whole, or substantially the whole, of the undertaking of a company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking without the approval of the members of the Company by way of ordinary resolution. Further, Rule 5 of the Postal Ballot Rules, lists the businesses in which resolutions shall be passed through postal ballot and, specifically, Rule 5(f) of the Postal Ballot Rules states that the sale of the whole or substantially the whole of a business of a company may be passed through a postal ballot resolution.

In accordance with Section 293(1)(a) of the Act read with Rule 5 of the Postal Ballot Rules, the Company seeks the consent of its shareholders through postal ballot for the sale of the Business and assets of TPE Business, the details of which are set out below.

The Board is of the opinion that the aforesaid resolution is in the best interests of the Company and recommends the approval of the members through postal ballot for passing the ordinary resolution as set out in the above Notice.

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
Company Secretary

Place: Thane
Date: March 26, 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.
- 2) A member may convey his/her/its assent/dissent in this Postal Ballot 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 postal ballot Forms shall be rejected.
- 6) The postal ballot shall not be exercised by a proxy.
- 7) Duly completed postal ballot Form should reach the Scrutiniser before the close of working hours i.e. at 5.00 p.m. on May 15, 2013. All postal ballot 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 April 5, 2013.
- 10) Members are requested not to send any extraneous paper along with the postal ballot Form in the enclosed self-addressed postage pre-paid envelope inasmuch as all such envelopes will be sent to the Scrutiniser and any extraneous paper found in such envelope would not be taken cognizance of and shall be destroyed by the Scrutiniser.
- 11) There will be one postal ballot Form for every Registered Folio/Client ID, irrespective of the number of joint holders.
- 12) A member neither needs to use all his/her votes nor cast his/her votes in the same way.
- 13) A member may request a duplicate Form, if so required. However, the duly filled in duplicate Form should reach the Scrutiniser, not later than the date specified at item 7 above.
- 14) Members are requested to fill in the postal ballot Form with indelible ink and not by any erasable writing mode.
- 15) The Scrutiniser's decision on the validity of the postal ballot will be final.
- 16) The result of voting by postal ballot will be announced at 4.00 P.M. on May 20, 2013 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 ordinary resolution.
- 17) Though not mandatory, the postal ballot Forms 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.
- 18) The votes of a shareholder will be considered invalid on any of the following grounds:
 - If the member's signature doesn't tally
 - If the member has marked his/her/its vote both "FOR" and also "AGAINST" the 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 postal ballot Form
 - If the postal ballot Form is unsigned, incomplete or incorrectly filled
 - If the postal ballot Form is received torn or defaced or mutilated such that it is difficult for the Scrutiniser 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 emailed 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 in case the Member forgets the password and wants to reset it. The new password has to be minimum eight characters consisting of atleast 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 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.
 - x Enter the number of shares (which represents number of votes) under YES/NO, but not exceeding your total holding.
 - xi 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.
 - xii Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.
 - xiii 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.
 - xiv Kindly note that the members can opt only one mode for voting, i.e., either by Physical 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 Physical Ballot and e-voting, then the voting validly done through Physical Ballot shall prevail and voting done by e-voting shall be treated as invalid.
 - xv 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 they do not remember such password, then they 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.