

Notice

NOTICE is hereby given that the **Fifty-fourth** Annual General Meeting of the Members of **Clariant Chemicals (India) Limited** will be held at Hotel Satkar Residency, next to Cadbury, Pokhran Road No. 1, Thane (West) - 400 606, on Tuesday, April 26, 2011 at 4.00 p.m. to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at December 31, 2010 and the Profit and Loss Account for the year ended on that date, the Reports of the Directors and the Auditors thereon.
2. To confirm the payment of interim dividend and to declare a final dividend for the year ended December 31, 2010.
3. To appoint a director in place of Mr. B.S. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration.

Special Business:

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Alfred Muench, who was appointed as a Director of the Company with effect from April 24, 2010 in the casual vacancy caused by the resignation of Dr. Andreas Walde and pursuant to 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. Muench as a candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT the increased salary, as approved by the Board of Directors and paid/payable to Mr. Peter Palm, the Vice-Chairman & Managing Director of the Company, from ₹ 8,61,000/- to ₹ 10,58,000/- per month with effect from September 1, 2010 one-time lump sum allowance of ₹ 8,58,500/- and payment of tax on non-monetary perquisites by the Company directly to the tax authority, be and it is hereby approved and ratified.

RESOLVED FURTHER THAT in supersession of approval granted by the members at the meeting held on April 23, 2010, fixing the maximum limits for payment of salary, the members hereby authorise the Board of Directors to consider and approve the revision in remuneration, benefits and perquisites payable to Vice-Chairman and Managing Director from time to time without any monetary limits in that respect, so far as it does not exceed the limits specified in Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.”

7. To consider and if thought fit, to pass the following resolution with or without modification, as a Special Resolution :

“RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 including any statutory modification thereto or any re-enactment thereof for the time being in force, the Articles of Association of the Company be and are hereby altered by amending the Article 116 under the heading “Sitting fees / Remuneration of Director” and the amended Article shall be read as under:

“116. The sitting fees payable to a Director for each meeting of the Board or Committee thereof attended by him / her shall be the maximum sum payable under the Companies Act, 1956 and Rule 10B of the Companies (Central Governments) General Rules & Forms.

The additional remuneration payable to the Directors, if any, shall be subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 and such remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in absence of such determination it shall be divided among the Directors equally”.

8. To consider, and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 (the “Act”) and Rule 10B of the Companies (Central Government’s) General Rules & Forms (the “Rules”) and Article 116 of the Articles of Association of the Company, the Company

hereby approves the payment of sitting fee of ₹ 15,000/- (Rupees Fifteen thousand) or such sum not exceeding the limits prescribed by Rule 10B of the Rules as amended from time to time, to the Directors for attending the meetings of the Board of Directors or the committees thereof.

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

B.L. Gaggar
Director Finance & Company Secretary

February 24, 2011.

Registered Office:

Kolshet Road
P.O.Sandoz Baug
Thane 400 607.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy form in order to be effective must be received at the registered office of the Company not less than 48 hours before the meeting.

2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business under Item Nos.5 to 8 set out above is hereto annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, April 15, 2011 to Tuesday, April 26, 2011 both days inclusive, for the purpose of payment of final dividend, if declared at the Annual General Meeting.
4. The final dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be paid:
 - (i) in respect of shares held in demat form on the basis of beneficial ownership as per details furnished by the Depositories as at the end of the business on April 14, 2011 and
 - (ii) in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Share Transfer Agent on or before April 14, 2011. The Company will dispatch the dividend warrants on or after April 27, 2011.

5. Profiles of the Directors being re-appointed, as required under clause 49 of the Listing Agreement, are provided in the report on Compliance of Corporate Governance.
6. In compliance with the provisions of section 205A and 205C of the Companies Act, 1956, the amount outstanding in unpaid dividend account in respect of financial year 2003-2004 will be transferred to the 'Investor Education and Protection Fund' maintained with the Central Government after July 29, 2011. Members who have still not encashed their dividend are requested to encash the same at the earliest.
7. In case of any change of particulars including address, bank mandate and nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his demat account. The Company or its Share Transfer Agent will not be able to act on any direct request from these Members for change of such details. However, for any change in particulars in respect of shares held in physical form should be sent to the Registrars & Share Transfer Agents of the Company.
8. Members holding shares in demat form may please note that the bank account details given by them to their Depository Participants (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants of the concerned members. However, if any member(s) wants to receive dividend in any other bank account, he/she should change/ correct the bank account details with their concerned DPs and also intimate about ECS payment requirement. The Company will not be able to act on any such request from shareholders directly for deletion/change in the bank account details.
9. Members may please note that the Dividend Warrants are payable at par at all the clearing branches of the Bank in India for an initial period of three months only. Thereafter, the Dividend Warrant is payable only on revalidation for a further period of three months. The members are therefore, advised to encash Dividend Warrants within the initial validity period.
10. Members who wish to attend the meeting are requested to bring attendance slip sent herewith, duly filled in, and their copy of the Annual Report. Copies of the Annual Report will not be distributed at the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

Item No 5

At the meeting of the Board of Directors ("the Board") of the Company held on April 23, 2010 the Board appointed Mr. Alfred Muench as a Director of the Company with effect from April 24, 2010 to fill the

casual vacancy caused by the resignation of Dr. Andreas Walde. Pursuant to section 262 of the Companies Act, 1956, read with Article 114 of the Articles of Association of the Company, Mr. Muench holds office only up to the date of the forthcoming Annual General Meeting as Dr. Andreas Walde, in whose place he was appointed, would have held office up to the date of the forthcoming Annual General Meeting, had he not resigned. Notice in writing has been received from a member of the Company along with the prescribed deposit under section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Alfred Muench as a candidate for the office of Director.

Mr. Muench does not hold any shares in Clariant Chemicals (India) Limited.

The Directors recommend the resolution for members' approval. No Director other than Mr. Muench is concerned/interested in this resolution.

Item No. 6

Increase in Remuneration of the Vice-Chairman & Managing Director

Mr. Peter Palm was appointed as the Vice-Chairman & Managing Director of the Company, for a period of three years, with effect from January 1, 2010 on the remuneration, terms and conditions as approved by the members in the Annual General Meeting held on April 23, 2010, which was subsequently approved by the Central Government pursuant to section 269 and other applicable provisions of the Companies Act, 1956.

The Board of Directors at its meeting held on October 25, 2010 considered the proposal and approved the payment of increased salary of ₹ 10,58,000/- per month (including medical insurance premium of ₹ 56,500/-) and also a onetime lump sum allowance of ₹ 8,58,500/-. However, as per the terms of appointment, as approved by the members at the annual general meeting held on April 23, 2010, the Board is authorised to consider the increment in salary and remuneration payable to Mr. Palm, subject to a maximum salary of ₹ 9,45,000 per month. Since the revision of salary as approved by the Board of Directors is exceeding the limits set for approval by the Board, the proposal for increase in salary and onetime lumpsum allowance is subject to the approval by the shareholders. As such, approval of the members is sought for increase in salary and remuneration payable to Mr. Palm.

To enable the Board to revise the remuneration from time to time without any further reference to the annual general meeting, the shareholders are requested to authorise the Board to consider and

approve revision in salary and remuneration from time to time within the limits specified in the applicable provisions of the Companies Act, 1956.

The Directors recommend the approval of the special resolution. None of the Directors, other than Mr. Palm is concerned or interested in the resolution.

Item No. 7

To update the sitting fees payable to the Directors at par with the industry, the Articles need to be amended to suit the requirement. The Board therefore recommends that the special resolution at item no. 7 of the Notice be approved.

A copy of the existing Articles of Association of the Company with a copy of the proposed alteration in the resolution at item no. 7 of the notice will be open for inspection by the members at the registered office of the Company between 10 a.m. to 12 noon on any working day of the Company until the date of the Annual General Meeting or any adjournment thereof.

The Non-executive Directors of the Company are deemed to be interested in the resolution.

Item No. 8

The sitting fees for attending the Board and Committee meetings, is paid to the non-executive directors within the limits prescribed by the Companies Act, 1956, the applicable rules and the Articles of Association of the Company. Considering that the present fee is very low, it is proposed to increase the sitting fees within the prescribed limit of Rule 10B of the Companies (Central Government's) General Rules & Forms (the "Rules"). The members are requested to approve the proposal.

The Non-executive Directors of the Company are deemed to be interested in the resolution.

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

B.L. Gaggar
Director Finance & Company Secretary

February 24, 2011

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