

HENKEL INDIA LIMITED

(A Jyothy Group Company)

Regd. Office: 43A, T.H. Road, KKD Nagar, Kodungaiyur, Chennai – 600118, Tamilnadu, India
Phone No- 044 25540337/25547931 • Email: info@jyothy.com, Website: www.jyothylaboratories.com

POSTAL BALLOT

Notice pursuant to Section 192A (2) of the Companies Act, 1956

NOTICE is hereby given that the Board of Directors of the Company has proposed to seek the shareholder's consent to the following Resolutions through voting by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 (the 'Act') and the Rules made thereunder.

DRAFT RESOLUTIONS:

- 1. Special Resolution to be passed for shifting of registered office from the State of Tamilnadu to the State of Maharashtra (within the jurisdiction of Registrar of Companies, Maharashtra at Mumbai):**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 17, 146, 192A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Company Law Board/Central Government/ any other authority as may be prescribed from time to time and subject also to such permission, sanction or approval as may be required under the provisions of the said Act or under any other law for the time being in force or any statutory modification or amendment thereof, consent of the members be and is hereby accorded for shifting of registered office of the Company from the State of Tamilnadu to the State of Maharashtra and that the Clause II of the Memorandum of Association of the Company be substituted by the following clause:

"II. The registered office of the Company will be situated in the State of Maharashtra, i.e. within the jurisdiction of the Registrar of Companies, Maharashtra at Mumbai."

RESOLVED FURTHER THAT upon the aforesaid resolution becoming effective, the Registered office of the Company be shifted from the State of Tamilnadu to UJALA HOUSE, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059 or such other place in the State of Maharashtra (within the jurisdiction of the Registrar of Companies, Maharashtra at Mumbai.) as may be determined by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps and to do such acts & deeds as they may deem necessary and proper in this matter."

- 2. Special Resolution to be passed under Section 372A of the Companies Act, 1956 :**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (the 'Act') and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make / give, from time to time, any loan(s)/advances/deposits/investments in shares, debentures and/or other securities and to give, on behalf of the Company, any guarantee and/or provide any security in connection with any loan or loans made by any other person to, or to any other persons by, Henkel Marketing India Limited and/or Abhiraami Chemicals Limited which in the aggregate shall be up to Rs.600 Crore and which alongwith the present total exposure may be in excess of the limits prescribed under Section 372A of the Act, i.e., over and above 60% of the Company's paid-up share capital and free reserves or 100% of the Company's free reserves, whichever is more;

RESOLVED FURTHER THAT the aforesaid loans / investments will be made by the Company out of internal resources or borrowings or in such other manner and in such proportion as the Board thinks appropriate:

Provided that in case of loans, the interest rate shall not be lower than the prevailing bank rate being the standard rate as made public under Section 49 of Reserve Bank of India Act, 1934;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

3. **Resolution to be passed under Section 293(1)(d) to enhance the power of Board of Directors of the Company to borrow funds:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of the Resolution passed at the Extra-Ordinary General Meeting of the Company held on 20th June, 2008 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors of the Company for borrowing moneys for and on behalf of the Company from time to time as and when required by the Company provided, that the money to be borrowed together with the money already borrowed (apart from the temporary loans obtained from time to time by the Company from its Bankers in the ordinary course of business) and remaining un-discharged at any given time shall not exceed Rs.800 Crore (Rupees Eight hundred Crore Only) notwithstanding that such borrowings exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

FURTHER RESOLVED THAT the Board be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary expedient and incidental thereto for giving effect to this resolution."

4. **Resolution to be passed under Section 293(1)(a) to empower of Board of Directors of the Company to create charge over the assets of the Company:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to mortgage / charge and / or also to create liens, charges and all other encumbrances of whatsoever nature on all or any of the Company's immovable and movable properties and the whole or substantially the whole of all or any of the undertakings of the Company, where-so-ever situate, present and future, together with power to take over the management of the business and concern of the Company in certain events, in such form and in such manner as the Board may think fit and proper, in favour of Banks / Institutions / other lenders / trustees of the holders of securities, aggregating to a nominal value not exceeding Rs.800 crore (Rupees Eight Hundred Crore only) to be issued from time to time in one or more tranches under its borrowing powers, to secure the principal amount together with interest, compound interest and all costs, charges and expenses and all other monies as may become due and payable by the Company, in that behalf and to vary or modify existing securities, from time to time, in such manner and in such form on all or any of the properties or part of any of the property and the undertakings of the Company, both present and future, as may be decided by the Board and as agreed to by the said banks / institutions / other lenders / trustees of the holders of securities issued hereunder and the existing or future series of debentures / bonds or other lenders, bankers and Financial Institutions, both present and future, to secure existing series of debentures, loans, financial facilities as may be obtained by the Company from time to time and as may be deemed appropriate by the Board;

FURTHER RESOLVED THAT the Board be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary expedient and incidental thereto for giving effect to this resolution."

By Order of the Board
For HENKEL INDIA LIMITED

M. P. Ramachandran
Chairman

Date: 9th November, 2011
Place: Mumbai

Notes:

1. The Board of Directors has appointed Mrs. Lalitha Kannan of M/s K. Padmanabhan Associates, Company Secretaries, Chennai, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and in accordance with the provisions of the Act and the Rules framed thereunder.
2. The Shareholders are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form (no other Form or photo copy is permitted) duly completed in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of business hours on Monday, 20th February, 2012. The postal ballot forms received after this date will be treated as if the reply from the shareholders has not been received
3. The Scrutinizer upon finalization of the poll result, will forward all ballot papers and registers to the Chairman. The results will be announced on 29th February, 2012 at 3.00 p.m. at UJALA HOUSE, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059. The results will be displayed at the Registered Office of the Company, besides being communicated to the Stock Exchanges on which the Company's equity shares are listed. The results will also be published in the newspaper(s) and posted on the Henkel India Ltd Section in the website of Jyothy Laboratories Ltd i.e. www.jyothylaboratories.com, for the information of the shareholders
4. The Company has not availed the e-voting for this Postal Ballot process. Hence, entire voting will be casted through physical Postal Ballot Form.
5. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.1:

Consequent to the selling of 50.87% stake in the Company held by Henkel AG & Co. KGaA to M/s Jyothy Laboratories Limited in terms of the Share Purchase Agreement dated 5th May 2011, the Company has become subsidiary of Jyothy Laboratories Ltd, a company based in Mumbai. In order to transform the Company into a cost-efficient business unit and bring the registered office closer to administrative control, it is proposed to shift the registered office of the Company from the State of Tamilnadu to the State of Maharashtra, since the Board is of the view that the proposed shifting of the registered office would improve the access to new managerial talent and resources and facilitate carrying on the business of the Company more advantageously, efficiently, economically and conveniently.

The proposed shifting of registered office would also enable the Company to avail the expertise on management operational matters and availability of other means to enhance the operational efficiency of the Company.

Since the underlying purpose of proposed shifting of office falls within the permitted range under Section 17 of the Companies Act, 1956, the proposal could be carried to effect by passing special resolution by way of postal ballot in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011. However the shifting of the Registered Office to another state as proposed is subject to confirmation of Company Law Board/other authority as may be prescribed from time to time, having the jurisdiction over the Tamilnadu.

The Board of Directors of your Company recommends the passing of the resolutions set-out under Item No.1 of Notice as Special Resolution in terms of Section 17, 146 and 192A of the Companies Act, 1956.

None of the Directors is concerned or interested in the resolution.

Item No.2

As per the provisions of Section 372A of the Act, the Board of Directors of a Company can make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60 % of its paid-up share capital and free reserves or 100 % of its free reserves whichever is higher. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of a special resolution.

As the inter-corporate loans, investments etc stated in the bodies corporate mentioned in the resolution together with present exposure are likely to exceed the prescribed limits, the approval of the members is being sought pursuant to the provisions of Section 372A of the Companies Act, 1956 to give powers to the Board of Directors for making further

investments, loans and guarantees for amounts not exceeding Rs.600 crores in Henkel Marketing India Limited and/or Abhiraami Chemicals Limited

These investments, loans and guarantees are proposed to be made out of internal accruals/borrowed funds, the objective of which is to achieve long term strategic and business objectives of the Company. The investments, loans and guarantees will be made on terms and conditions most beneficial to the Company/ at prevailing market rates and in pursuant to the provisions of Section 372A of the Companies Act, 1956.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the resolution set out under Item no.2 of the accompanying Notice as Special Resolution.

None of the Director of the Company is concerned or interested in the said resolution.

Item No. 3&4:

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies upto some higher limits. Accordingly in terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, taking the audited figures of the Balance Sheet as on 31st December, 2011 as basis, the Board of Directors of the Company can borrow upto approx. Rs.203 crore apart from bank borrowings for working capital purposes. As per the approval of members taken on 20th June, 2008, the Board is empowered to borrow upto a sum of Rs.400 crores (Rupees four hundred crores only).

Now, in order to finance the growth in the business of the Company and its subsidiaries (present and future), it is proposed to enhance the power of Board of Directors to borrow upto a sum not exceeding Rs.800 crores in terms of Section 293(1)(d) of the Companies Act, 1956. Hence the approval of the members of the Company is being sought for the resolution set-out under Item no.3 by way of Ordinary Resolution.

In view of aforesaid proposal to borrow funds from time to time, the Company may have to secure the borrowing by way of mortgage / charge over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 293(1)(a) of the Companies Act, 1956, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence approval of the Members of the Company is being sought for the resolution set out under Item no. 4 by way of an Ordinary Resolution.

The Board of Directors of your Company recommends the passing of the resolutions set-out under Item No. 3 and 4 of the Notice as Ordinary Resolutions in terms of Section 293(1)(d) and 293(1) (a) respectively of the Companies Act, 1956.

None of the Directors is concerned or interested in the resolution.

By Order of the Board
For HENKEL INDIA LIMITED

M. P. Ramachandran
Chairman

Date: 9th November, 2011
Place: Mumbai

CRYSTAL (022) - 6614 0900
cfl_mum@crystalforms.com

INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Company in the attached postage prepaid self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form, if sent by courier at the expense of the Shareholder will also be accepted.
2. The Board of Directors has appointed **Mrs. Lalitha Kannan of M/s K. Padmanabhan Associates, Company Secretaries, Old No. 18/New No. 43, III Main Road, Ground Floor, Pushpavanam Apartment, Gandhi Nagar, Adyar, Chennai - 600 020**, as the Scrutinizer for conducting the Postal Ballot process. The Postage prepaid self-addressed envelope bears the address of the Scrutinizer, at which duly completed Postal Ballot Form is to be sent.
3. This Postal Ballot Form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the Company) by the first named Shareholder and in his absence, by the next Shareholder.
4. A Shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 9 below.
5. In case of corporate members, trusts, societies, etc., the Postal Ballot Form has to be signed by any of the authorized signatories, whose signatures are already registered with the Company. If the Postal Ballot Form is signed by any other person, a specific Board / Management Committee Resolution authorizing the said person to sign the Postal Ballot Form should be attached to the Postal Ballot Form.
6. The votes should be cast in favour or against by putting the tick mark (✓) in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the Postal Ballot Form invalid.
7. A Shareholder need not use all his votes nor he need to cast all his votes in the same way.
8. Incomplete, unsigned or incorrectly filled Postal Ballot Form will be rejected. Postal Ballot cannot be exercised by a Proxy.
9. Duly completed and signed Postal Ballot Form should reach the Scrutinizer not later than the close of the working hours on Monday, 20th day of February, 2012. Postal Ballot Forms received after this date will not be considered and will be treated as if the reply from the Shareholder has not been received.
10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of Shareholder/ Beneficial Owners on the cut-off date i.e. 20th January, 2012.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed postage prepaid self-addressed envelope as any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. In case of Postal Ballot Form signed by the Holder of Power of Attorney, reference of power of attorney registration by the Company should be mentioned in the Postal Ballot Form.