

February 10, 2020

To, The Bombay Stock Exchange Limited Corporate Relationship Department 1st Floor, New Trading Ring Rotunda Building, P. J. Towers Dalal Street, Mumbai - 400 001 Scrip: 506390 E-mail: corp.relations@bseindia.com	To, The National Stock Exchange of India Limited Listing Department, Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip: CLNINDIA E-mail: cm1ist@nse.co.in
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Sub.: Result of Postal Ballot

Dear Sir / Madam,

We refer to the Notice of Postal Ballot dated January 3, 2020 circulated to all the Shareholders of the Company for seeking their approval for sale of Masterbatch business to PolyOne Polymers India Private Limited or its affiliate in India ("**Buyer**"), by means of Postal Ballot including E-voting.

The Company had appointed Mr. Bhadresh Shah, Proprietor of Bhadresh Shah & Associates, Company Secretaries (COP 15957, FCS 23847) as the Scrutinizer for conducting Postal Ballot process in a fair and transparent manner. The last date for receiving duly filled and signed Postal Ballot forms was close of working hours at 05:00 p.m. on February 8, 2020. The E-voting was kept open from January 9, 2020 (09:00 a.m.) to February 8, 2020 (05:00 p.m.).

The Scrutinizer has carried out the scrutiny of Postal Ballot Forms and E-voting received upto 05:00 p.m. on February 8, 2020 and submitted his Report on February 10, 2020. The Scrutinizer's Report dated February 10, 2020 is enclosed herewith for your reference and record.

The result of Postal Ballot under Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is as follow:

Mode of Voting	Postal Ballot (including E-voting)
Total number of shareholders as on December 27, 2019 (cut-off date for reckoning the voting rights of the members)	39,066
Special Resolution	Special Resolution pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 for transfer of the Masterbatch Business of the Company to the Buyer or its affiliate in India as a 'going concern' on a slump sale basis under Section 2(42C) of the Income Tax Act, 1961.

Shah



Results based on Scrutinizer's Report:

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled	No. of votes Invalid
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100	[8]
Promoter and Promoter Group	E-Voting	11772050	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot		11772050	100.0000	11772050	0	100.0000	0.0000	0
	Total		11772050	100.0000	11772050	0	100.0000	0.0000	0
Public Institutions	E-Voting	1325346	37948	2.8633	37948	0	100.0000	0.0000	0
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000	0
	Total		37948	2.8633	37948	0	100.0000	0.0000	0
Public Non Institutions	E-Voting	9984402	832231	8.3353	831993	238	99.9714	0.0286	0
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000	0
	Total		832231	8.3353	831993	238	99.9714	0.0286	0
Total		23081798	12642229	54.7714	12641991	238	99.9981	0.0019	0

Therefore, the Special Resolution mentioned in the Notice of Postal Ballot dated January 3, 2020 has been duly passed by the members with requisite majority. The certified copy of the Special Resolution dated February 10, 2020 is enclosed herewith for your record.

Kindly take the same on your record and acknowledge the receipt.

Thanking you,
Yours faithfully,
For **Clariant Chemicals (India) Limited**



Amee Joshi
Company Secretary



Encl: As above

Certified true copy of the Special Resolution passed by the Shareholders of Clariant Chemicals (India) Limited ("the Company") through Postal Ballot on February 10, 2020

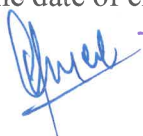
"RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (**"the Companies Act"**) read with the Companies (Management and Administration) Rules, 2014, (**"the Rules"**) (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the LODR Regulations"**) (as amended from time to time) and any other applicable law for the time being in force and subject to 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 members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the **"Board"**) to transfer, sell, assign, alienate or otherwise dispose off the Masterbatch Business as a going concern by way of a slump sale under Section 2 (42C) of the Income Tax Act, 1961, to PolyOne Polymers India Private Limited or its affiliate in India (**"Buyer"**) for a consideration of not less than INR 4,260,000,000 (INR 426 Crore) subject to necessary adjustment, if any, and on the terms and conditions as stated in the Business Transfer Agreement and other documents.

RESOLVED FURTHER THAT the Masterbatch Business for the purpose of the above resolution means the Company's business of engaging in the development, production, manufacturing, procurement, processing, sale, distribution, design, marketing, supply and commercialization of color and additive concentrate solutions in a liquid or solid polymer carrier for plastics processing (masterbatches) and certain other activities related to the masterbatches business, including polymer distribution and polymer compounding (**"Masterbatch Business"**) which comprises of:

- a) The Divestment Assets which shall mean all assets exclusively relating to the Masterbatch Business, including the assets as set out below:
 - i. transferring real estate;
 - ii. transferring intellectual property;
 - iii. transferring contracts;
 - iv. permits;
 - v. all equipment, machinery and assets at the transferring real estate, whether moveable or immoveable;
 - vi. all inventory and other assets included in the net working capital (excluding tax refunds);
 - vii. goodwill
 - viii. all right, title and interest of the Masterbatch Business in and to software, computer hardware, servers, networks, platforms, peripherals, data communication lines and other information technology equipment and related systems that are owned, licensed or otherwise held for use by the Company exclusively for the Masterbatch Business;
 - ix. all guarantees and warranties of third parties exclusively related to the ownership or operation of the Masterbatch Business or the Divestment Assets, to the extent assignable or transferable;
 - x. software (in source code, object code and all source materials) used or held exclusively for use in the Masterbatch Business;




- xi. to the extent they are in the Company's possession, custody or control as of closing and to the extent exclusively used in connection with the operation of the Masterbatch Business, all books, records, files and papers, whether in hard copy or computer format (including all data and back-up data), but excluding information relating to any tax imposed on the Masterbatch Business subject to redaction of information relating to aspects of other businesses and affairs of the Company; in each case, wherever located, as the same will exist on the date of closing, including all such assets, acquired by the Company between the date of the execution of the agreement and the date of closing. All such books and records relating to the Masterbatch Business (including the originals of all permits) which records will be deemed to have been delivered at closing if they are left at the leased real property or the owned real property;
 - xii. all telephone, fax and pager numbers, in each case to the extent exclusively related to the Masterbatch Business;
 - xiii. all rights of the Company to causes of action, lawsuits, judgments, claims and demands of any nature and all counterclaims, rights of setoff, rights of indemnification and affirmative defenses to any claims that may be brought against Buyer by third parties, exclusively relating to the Masterbatch Business (except in case of the retained litigation);
 - xiv. all rights to refunds from customers and suppliers, all prepaid expenses and deposits and all rights to condemnation proceeds, in each case exclusively relating to (i) to the Masterbatch Business or (ii) to any Divestment Asset; and
 - xv. all other properties and assets to the extent has any rights thereto or interests therein, whether a present or future interest, an inchoate right or otherwise and whether such properties or assets are tangible or intangible and whether or not of a type falling within any of the categories of assets or properties described above, in each case exclusively relating to the Masterbatch Business.
- b) and the Divestment Liabilities which shall mean Liabilities pertaining to the Masterbatch Business as of the closing date as set out below:
- i. all liabilities included in net working capital;
 - ii. all liabilities under or in connection with any transferring contract (including all liabilities arising out of or relating to any termination or announcement or notification of an intent to terminate any transferring contract), whether arising before, on or after the date of closing;
 - iii. all liabilities to the extent relating to, or arising out of, any Divestment Asset, or arising out of or relating to the ownership of the Buyer to any Divestment Asset or associated with the realization of the benefits of any Divestment Asset, in each case whether arising before, on or, after the date of closing;
 - iv. all liabilities arising from or relating to any proceedings, litigation or arbitration or other claims, regardless of when commenced or made and irrespective of the legal theory asserted, arising from or relating to Masterbatch Business or from the operation or conduct of the Masterbatch Business before, on or, after the date of closing (except for the retained litigation);
 - v. all liabilities arising under or relating to any laws or contracts to the extent arising out of or relating to the Divestment Asset, whether arising before, on or, after the date of closing;
 - vi. all liabilities and obligations towards the transferred employees whether arising before, on or after the date of closing;




- vii. all other liabilities of whatever kind and nature, primary or secondary, direct or indirect, whether accrued or fixed, or unknown, absolute or contingent, matured or unmatured or determined or determinable solely to the extent arising out of or relating to the operation or conduct of the Masterbatch Business or any Divestment Asset, or the ownership, sale or lease of any of transferred asset, in each case whether arising before, on or, after the date of closing.

RESOLVED FURTHER THAT in the event of any difficulty arising as to whether any particular item or thing is a part of the Masterbatch Business, if any, the Board (which expression shall include any Committee of the Board constituted or to be constituted) shall have full power and authority to determine the same, with regard to this dealing and reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

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 and agreements and documents necessary and incidental for the transfer of the Masterbatch Business to the Buyer or any of its affiliate, as the Board may in its absolute discretion deem necessary, proper, expedient or desirable, in its absolute discretion.

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.

RESOLVED FURTHER THAT all actions taken by the Board of Directors of the Company in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to sign a certified true copy of this resolution and submit the same to the relevant authorities or to any other person as may be required.”

Place: Navi Mumbai
Date: February 10, 2020

For **Clariant Chemicals (India) Limited**



Amee Joshi
Company Secretary



Certified true copy of the Explanatory Statement annexed to the notice of Postal Ballot of the Company pursuant to Section 102 of the Companies Act, 2013**Item No. 1**

The Company on July 25, 2019 informed to the Stock Exchanges, *inter alia*, about the decision of our ultimate holding Company Clariant AG, to divest the entire Masterbatches Business i.e., standard and high value Masterbatches.

In this regard, the Company received a proposal from PolyOne Corporation, a company incorporated in the United States of America (NYSE:POL) a flagship company in specialised polymer materials and services that it wishes to acquire its Masterbatch Business of the Company either by itself or through its subsidiary / affiliate in India as a going concern by way of a slump sale under Section 2(42C) of the Income Tax Act, 1961. Entire Masterbatch Business of Clariant globally including in India is proposed to be sold to PolyOne Corporation.

The Board of Directors of the Company, at their meeting held on December 19, 2019, discussed and reviewed in detailed the proposal of sale of Masterbatch Business, rationale behind the same and valuation of the said business. Considering the fact that it would not be sustainable to continue the Masterbatch business in India without technical, Intellectual Property (IP) support and key customer account of the Global parent company, the Board of Directors is of the opinion that the aforesaid proposal is in the best interest of the Company.

The Audit Committee of the Board of Directors of the Company has also reviewed the above transaction at their meeting held on December 19, 2019 and has approved the valuation of the Masterbatch Business and has recommend the proposed transaction for the approval of the Board of the Directors.

In order to consummate the transaction the Company and the Buyer have entered into a business transfer agreement for sale and transfer of the Masterbatch Business as a going concern on a slump sale basis under Section 2(42C) of the Income Tax Act, 1961 for a lumpsum consideration of INR 42,60,000,000/- (INR 426 Crore) (subject to certain adjustments), without values being assigned to individual assets and liabilities, based on certain representations, warranties and indemnities being provided by the Company. The Masterbatch Business comprises of the divestment assets of the Masterbatch Business (including transferring real estate, transferring intellectual property, transferring contracts, permits and licenses, equipment, machinery, assets at the transferring real estate, goodwill etc.) and the divestment liabilities (including liabilities included in the net working capital, liabilities under or in connection with any transferring contract, all liabilities to the extent relating to, or arising out of, any divestment asset etc.). The employees of the Masterbatch Business shall be transferred to the Buyer with full continuity of service and on terms no less favourable in the aggregate than the terms on which they are currently employed with the Company. As part of the proposed transaction the Company has agreed to certain non-solicit and non-compete restrictions. The transaction is happening on a cash free and debt free basis.

The completion of the proposed transaction is subject to fulfilment of certain conditions precedent including, obtaining a no-objection certificate from the income tax authorities under Section 281 of the Income Tax Act, 1961 and receipt of approval of the shareholders' of the Company. The Company has



agreed to provide certain transitional support and such other services as may be mutually agreed for a certain transitional period of time. In addition to the above for the purpose of consummation of the transaction certain ancillary agreements are proposed to be entered into including an agreement for conveyance of certain immoveable property which forms part of the business undertaking, agreement for assignment of certain transferring contracts, assignment of certain intellectual property etc.

The proposed transaction is not with a related party and will not result in any change in shareholding pattern of the Company.

In terms of Section 180(1)(a) of the Companies Act, 2013 ('the Act'), shareholders' approval is required by a company to sell, lease or otherwise dispose-off the whole or substantially the whole of the undertaking of the company. An undertaking is defined to mean an undertaking in which the investment of a company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of a company during the previous financial year. Given that the undertaking being transferred generated more than 20% of the total income during the previous financial year ended March 31, 2019, the sale / transfer of the Masterbatch Business requires approval of the members by a special resolution under Section 180(1)(a) of the Act. The approval of the members of the Company is accordingly being sought for the proposed transaction under the provisions of Section 110 of the Act read with applicable Rules through Postal Ballot as set out in the accompanying Postal Ballot Notice.

The Board of Directors at their meeting held on December 19, 2019, have approved the proposed transaction, subject to the approval of the members and other requisite approvals. The Board has further accorded its approval for the execution of the relevant transaction documents for giving effect to the above.

The Board of Directors recommend to the member passing of these resolutions as special resolution, through postal ballot.

None of the Directors, Key Managerial Personnel and / or their relatives, are interested and / or concerned financially or otherwise in passing of the resolution.

For **Clariant Chemicals (India) Limited**



Amee Joshi
Company Secretary



Place: Navi Mumbai
Date: February 10, 2020

BHADRESH SHAH & ASSOCIATES
PRACTICING COMPANY SECRETARY

M: 9920440720 / 7045794455
E: csbhadreshshah@gmail.com

Office Address:
21, Hasan Ali Building,
2nd Floor, 17, Jijobhoy Dadabhai
Lane,
Behind Videocon House,
Fort, Mumbai - 400001

SCRUTINIZER'S REPORT

[Pursuant to the section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014]

To,
The Chairman,
CLARIANT CHEMICALS (INDIA) LIMITED
Reliable Tech Park, Gut No 31,
Village Elthan, Off Thane – Belapur Road,
Airoli, Navi Mumbai -400708

Subject: Scrutinizer's Report on voting through e-Voting and Postal Ballot Forms pursuant to Section 108 and 110 of Companies Act, 2013.

Dear Sir,

1. I, Bhadresh B. Shah, proprietor of M/s Bhadresh Shah and Associates, Practicing Company Secretary was appointed as the Scrutinizer for Postal Ballot and e-Voting of the **Clariant Chemicals (India) Limited** (hereinafter referred to as the Company) conducted in pursuant to the provisions of Section 108 and 110 of Companies Act, 2013 (the Act) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended from time to time for the purpose of scrutinizing the e-voting and Postal Ballot in a fair and transparent manner and ascertaining the requisite majority on e-voting and Postal Ballot as per the provisions of the Act.
2. The Management of the Company is responsible to ensure the compliance with the requirements of the Act and the Rules relating to voting through electronic means on the resolution contained in the Postal Ballot Notice. My responsibility as the scrutinizer for the voting process (Postal Ballot Forms and eVoting) is restricted to make scrutinizer's Report of the votes cast "in favour" or "against" the resolution, based on the voting on Postal Ballot Forms as received from Shareholders and reports generated from the e-voting system provided by CDSL, the authorised agency to provide e-voting facilities and engaged by the Company.
3. I submit my report as under:
 - a) The Company completed the dispatch (Physical and Electronic Mode) of Postal Ballot Notices along with Postal Ballot Forms (containing e-voting instructions)



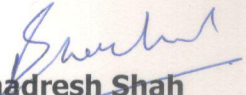
along with Postage pre-paid self-addressed Envelopes to its members, whose name appeared on register of Members/list of beneficiaries as on December 27th, 2019 on Thursday, January 09th, 2020.

- b) The Company had issued Public Notice regarding dispatch of Postal Ballot Notices and Forms in Business Standard (English Newspaper) and in Mumbai Lakshadeep (Regional Language Newspaper) on Friday, January 10th, 2020.
- c) The Shareholders holding shares either in physical forms or dematerialized form as on the cut – off date i.e. December 27th, 2019 were entitled to vote on the proposed resolution(s) as set out in the notice of Postal Ballot and e-Voting dated January 03rd, 2020.
- d) The Company has availed the services of Central Depository Services (India) Limited ("CDSL") to provide e- voting facilities to the Members of the Company.
- e) The remote e-Voting period commenced from January 9th, 2020 (09:00 a.m.) to February 8th, 2020 (05:00 p.m.)
- f) The Postal Ballot Forms received during the voting period were kept under my safe custody and were opened by me as and when received and the same were serially numbered. The result of electronic voting was unblocked and downloaded on Monday, February 10th, 2020 from the CDSL website in presence of two witnesses namely Mr. Prasad Parkar and Ms. Kinjal Kothari who are not in the employment of the Company.
- g) All the Envelopes containing Postal Ballot Forms received and e-votes casted up to 5.00 P.M. on Saturday February 08th, 2020, the last date and time fixed by the Company for the receipts of votes/forms were considered for my Scrutiny.
- h) I did not find any de-faced or mutilated Ballot paper.
- i) The Particulars of all Postal Ballot forms received from the Members in Physical form and E-voting Report generated from CDSL have been entered in a Register separately maintained for the purpose.
- j)
 - i. I received total 3 (three) Postal Ballot Forms from the Members of the Company.
 - ii. Out of the three, one Form was received from a member who also casted his vote electronically. Hence, the said Postal Ballot Form was not taken on record.
 - iii. The other two Forms were scanned and sent to Link Intime India Private Limited (the Registrar and Share Transfer Agent of the Company) for verification of signatures and other details. Link Intime India Private Limited through their e-mail consisting of Postal Ballot Report sheet have intimated that both the Postal Ballot Forms were found valid. Thus, after the said intimation, I have considered both the Postal Ballot Forms as Valid.
- k) The detailed summary of Result with assent/dissent for the resolution is annexed herewith the report and is marked as **Annexure – A**.



- l) Based on the aforesaid results, **Special Resolution** as contained in Item No. 1, of the Notice dated January 03rd, 2020 has been **passed with requisite majority**.

**For Bhadresh Shah and Associates
Practicing Company Secretary**


Bhadresh Shah
Proprietor
Membership No. - 23847
C. P No. 15957



Encl: a/a

10.02.2020

Annexure A

ITEM NO. 1: SPECIAL RESOLUTION PURSUANT TO THE PROVISIONS OF SECTION 180 (1)(A) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 FOR TRANSFER OF THE MASTERBATCH BUSINESS OF THE COMPANY TO THE BUYER OR ITS AFFILIATE IN INDIA AS A 'GOING CONCERN' ON A SLUMP SALE BASIS UNDER SECTION 2(42C) OF THE INCOME TAX ACT, 1961.

RESOLUTION REQUIRED: SPECIAL

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled	No. of votes Invalid
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100	[8]
Promoter and Promoter Group	E-Voting	11772050	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot		11772050	100.0000	11772050	0	100.0000	0.0000	0
	Total		11772050	100.0000	11772050	0	100.0000	0.0000	0
Public Institutions	E-Voting	1325346	37948	2.8633	37948	0	100.0000	0.0000	0
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000	0
	Total		37948	2.8633	37948	0	100.0000	0.0000	0



Public Non Institutions	E-Voting	9984402	832231	8.3353	831993	238	99.9714	0.0286	0
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000	0
	Total		832231	8.3353	831993	238	99.9714	0.0286	0
Total		23081798	12642229	54.7714	12641991	238	99.9981	0.0019	0

SUMMARY

SR. NO.	RESOLUTION	TYPE OF RESOLUTION	FAVOUR (%)	AGASNT (%)	RESULT
1.	Special Resolution pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 for transfer of the Masterbatch Business of the Company to the Buyer or its affiliate in India as a 'going concern' on a slump sale basis under Section 2(42C) of the Income Tax Act, 1961.	Special Resolution	99.9981	0.0019	Resolution Passed With Requisite Majority

