

JAYSHREE CHEMICALS LIMITED

Registered Office : P.O.Jayshree-761025, District-Ganjam (Orissa)

Dear Shareholder(s),

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

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a public company, shall not, except with the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company. Since the creation of charge (s)/ mortgage(s) for securing the financial facilities obtained/to be obtained in the nature of short term/long term loans, bridge loans, working capital loans, cash credit, bank guarantees, forward contracts, letters of credit or other forms of secured financial facilities may be deemed to be disposal of the whole or substantially the whole of the undertaking of the Company, it is proposed to obtain approval of the Shareholders of the Company pursuant to the provisions of the aforesaid Section by postal ballot.

As per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, approval of the Shareholders for the above purpose is required to be obtained by means of a postal ballot. Accordingly, the proposed Ordinary Resolution and the Explanatory Statement relating thereto is being sent to you alongwith a Postal Ballot Form for your consideration. The Company has appointed Ms. Sweety Kapoor, a Wholetime Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed Business Reply envelope so as to reach the Scrutinizer on or before 21<sup>st</sup> April, 2012. The Scrutinizer will submit her report to the Chairman after completion of the scrutiny and the result of the postal ballot will be announced by the Chairman or in his absence by the Executive Director of the Company at the Registered Office of the Company at P.O.Jayshree-761025, District Ganjam (Orissa) on Monday, the 30<sup>th</sup> April, 2012 at 3 P.M. and will become effective upon such announcement.

The Result of the Postal Ballot will also be published in one English and one Oriya Language newspaper circulating in the District of Ganjam, besides being communicated to the Bombay Stock Exchange Ltd. where the Company's Shares are listed.

### ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and the Articles of Association of the Company and subject to such approvals as may be required, the consent of the Members be and is hereby accorded to the Board of Directors of the Company ('the Board') which term shall include its duly authorised Committee to create charge(s) and/or mortgage(s), in addition to the charge(s) and/or mortgage(s) already created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, on all or any of the movable and /or immovable, tangible and/or intangible assets of the Company, both present and future, and/or the whole or any part of the undertaking(s) of the Company in favour of the Company's Bankers/other Lender(s) for securing the borrowings of the Company availed/to be availed by way of financial facilities in the nature of short term/long term loans, bridge loans, working capital loans, cash credit, bank guarantees, forward contracts, letters of credit or other forms of secured financial facilities sanctioned /to be sanctioned to the Company, from time to time, subject to a maximum of Rs.200 Crores (Rupees Two Hundred Crores only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, all other costs, charges and expenses and all other monies payable by the Company in terms of loan agreement(s) or any other document entered into/to be entered into between the Company and the Company's Bankers/other Lender(s) in respect of the said loans/borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board or any Committee thereof and the Company's Bankers/other Lender(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the Company's Bankers/other Lender(s) the security documents and such other agreements for creating or evidencing the creation of mortgage and/or charge as aforesaid and to take all other steps, give all such directions and do all such deeds, matters and things as may be necessary to give effect to the above Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers, herein conferred, to any Committee thereof to give effect to the above Resolution."

By Order of the Board

*M. K. Tiwari*

Manish Kumar Tiwari  
Company Secretary

Date : 6<sup>th</sup> February, 2012

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Note : Explanatory Statement with reasons for proposing the Ordinary Resolution as stated in the Notice is annexed hereto.

JAYSHREE CHEMICALS LIMITED

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Explanatory Statement and reasons for proposing the Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for charging/mortgaging the Company's Assets in favour of the Company's Bankers/ other Lender(s).

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Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a public company, shall not, except with the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company. Since the creation of charge (s)/ mortgage(s) for securing the financial facilities obtained/to be obtained in the nature of short term/long term loans, bridge loans, working capital loans, cash credit, bank guarantees, forward contracts, letters of credit or other forms of secured financial facilities may be deemed to be disposal of the whole or substantially the whole of the undertaking of the Company, it is proposed to obtain approval of the Shareholders of the Company pursuant to the provisions of the aforesaid Section by postal ballot.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011.

The Ordinary Resolution set out in the annexed Notice has to be considered accordingly and the Board recommends the same.

No Director of the Company is concerned or interested in the Ordinary Resolution.

By Order of the Board

*Manish Kumar Tiwari*

Manish Kumar Tiwari  
Company Secretary

Date : 6<sup>th</sup> February, 2012

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Note : The Scrutinizer will submit her report to the Chairman after completion of the scrutiny and the result of the postal ballot will be announced on Monday, the 30<sup>th</sup> April, 2012 at the Registered Office of the Company at P.O. Jayshree -761025 District- Ganjam (Orissa) at 3 P.M. Members who wish to be present at the time of declaration of result, may do so at the above venue.