



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.

1. **Resolution to be passed under Section 372A of the Companies Act, 1956 for making loan, investment, guarantee or provide security beyond the prescribed limits under the said Section 372A:**

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 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, the following companies which in the aggregate shall be up to Rs.1000 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 :

- (a) Jyothy Fabricare Services Limited
- (b) Jyothy Kallol Bangladesh Limited
- (c) Henkel India Limited
- (d) Akash Cleaners Private Limited
- (e) Diamond Fabcare Private Limited
- (f) Snoways Launderers & Drycleaners Private Limited

RESOLVED FURTHER THAT the proposed transactions with the aforesaid companies shall be in addition to the present exposure (as on May 30, 2011) of Rs.181.51 crores in the said companies by way of loans made, guarantees provided and investments in securities made by the Company;

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."

2. **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 7th September, 2002 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.1,000 Crore (Rupees One Thousand Crore) 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."

3. **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.1,000 crore (Rupees One Thousand Crore) 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."

4. **Re-appointment of Ms. M. R. Deepthi as Manager – Finance**

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

"RESOLVED THAT pursuant to the provisions contained in Section 314 of the Companies Act, 1956 as amended to date and Notification No. G.S.R. 303(E) dated 06.04.2011 issued by Ministry of Corporate Affairs, New Delhi read with Director's Relatives (Office or Place of Profit) Rules, 2003, Ms. M. R. Deepthi, a relative of Mr. M. P. Ramachandran, Managing Director and Ms. M. R. Jyothy, Whole-Time Director of the Company, be and is hereby re-appointed as 'Manager – Finance' for a tenure of 5 years with effect from May 1, 2011 at a remuneration as under:

- **Salary:** Rs.1,25,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2012 and thereafter April 1, every year.
- **Perquisites:** Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

FURTHER RESOLVED THAT the remuneration payable to Ms. M. R. Deepthi is subject to a limit of Rs.2,50,000/- per month or Rs.30,00,000/- per annum or such higher amount that the Central Government may prescribe from time to time in respect of provisions contained in Section 314 of the Companies Act, 1956, as amended to date."

5. Re-appointment of Mr. Ravi Razdan as Head – I.T.

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

"RESOLVED pursuant to the provisions contained in Section 314 of the Companies Act, 1956 as amended to date and Notification No. G.S.R. 303(L) dated 06.04.2011 issued by Ministry of Corporate Affairs, New Delhi read with Director's Relatives (Office or Place of Profit) Rules, 2003, Mr. Ravi Razdan, a relative of Mr. M. P. Ramachandran, Managing Director and Ms. M. R. Jyothy, Whole-Time Director of the Company, be and is hereby re-appointed as 'Head – I.T.' for a tenure of 5 years with effect from May 1, 2011 at a remuneration as under:

- **Salary:** Rs.1,25,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2012 and thereafter April 1, every year.
- **Perquisites:** Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

FURTHER RESOLVED THAT the remuneration payable to Mr. Ravi Razdan is subject to a limit of Rs.2,50,000/- per month or Rs.30,00,000/- per annum or such higher amount that the Central Government may prescribe from time to time in respect of provisions contained in Section 314 of the Companies Act, 1956, as amended to date."

6. Appointment of Mr. M. P. Divakaran as General Manager.

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

"RESOLVED THAT pursuant to the provisions contained in Section 314 of the Companies Act, 1956 as amended to date and Notification No. G.S.R. 303(E) dated 06.04.2011 issued by Ministry of Corporate Affairs, New Delhi read with Director's Relatives (Office or Place of Profit) Rules, 2003, Mr. M. P. Divakaran, a relative of Mr. M. P. Ramachandran, Managing Director, be and is hereby appointed as General Manager for a tenure of 5 (Five) Years, i.e., from May 1, 2011 to April 30, 2016 at a total remuneration of Rs.1,00,000 Per Month (Gross)"

By Order of the Board

For **JYOTHY LABORATORIES LIMITED**

Date : 30th May, 2011
Place : Mumbai

M. L. Bansal
Company Secretary

Notes:

1. The Board of Directors has appointed Mr. Jatin Popat of JSP Associates, Company Secretary & Trademark Attorney, Mumbai, 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 24th July, 2011. 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 for the approval of the Chairman. The results will be announced on 30th July, 2011 at 3.00 p. m. at the Registered Office of the Company. 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 Company's website for the information of the shareholders.
4. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.

Item No.1:

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 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.1,000 crores (over and above the exposure of Rs.181.51 crore as on 30th May, 2011) in following body/ies corporate:

- (a) Jyothy Fabricare Services Limited
- (b) Jyothy Kallol Bangladesh Limited
- (c) Henkel India Limited
- (d) Akash Cleaners Private Limited
- (e) Diamond Fabcare Private Limited
- (f) Snoways Launderers & Drycleaners Private 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.1 of the accompanying Notice as Special Resolution.

Except Mr. K. Ullas Kamath, Deputy Managing Director to the extent of his shareholding in Jyothy Fabricare Services Ltd. and Directors of the Company who are Directors in one or more bodies corporate enumerated hereinabove, no other Director of the Company is concerned or interested in the said resolution.

Item No.2 & 3:

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 March, 2011 as basis, the Board of Directors of the Company can borrow upto Rs.700 crore apart from bank borrowings for working capital purposes. In order to finance the growth in the business of the Company and its subsidiaries (present and future), the Company may have to borrow funds from time to time. It is therefore proposed to enhance the power of Board of Directors to borrow to a sum not exceeding Rs.1,000 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.2 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. 3 by way of an Ordinary Resolution.

The Board of Directors of your Company recommends the passing of the resolutions set-out under Item No. 2 and 3 of the Notice as Ordinary Resolution 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.

Item No.4

Ms. M. R. Deepthi was appointed as 'Manager – New Projects' w.e.f. July 1, 2007 to June 30, 2012 at a remuneration not exceeding Rs.50,000/- per month on cost to Company basis. By qualification she has completed 'B.M.S.' from Chinai College affiliated with Mumbai University and 'M.M.S.' from S.I.E.S. College, Nerul.

She has done good work in the area of project evaluation, performance evaluation and budget formulations for the Company. For the period July 2007 to July 2010 (three years), she was working at the same salary as fixed in July 2007 without any increase. The Board at its meeting held on May 25, 2010 decided and Members at the Annual General Meeting held on July 27, 2010, approved to reappoint her as 'Manager – Finance' at the following terms:

Salary: Rs.1,00,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2011 and thereafter April 1, every year.

Perquisites: Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

Tenure: 5 Years with effect from August 1, 2010 to July 31, 2015.

The Central Government vide their SRN no. A93205060 / 1 / 2010 / CL.-VII dated 29th December, 2010 approved the appointment with a total remuneration of Rs.12,00,000/- (Rupees Twelve Lac only) per annum for a period of five years without any fringe benefits/ perquisites and without any increase over five year period.

The remuneration approved by the Central Government was considered to be inadequate and accordingly representation was made to the Central Government requesting them to reconsider and approve the remuneration as approved by the shareholders. While the response of Central Government to the representation was pending, the Ministry of Corporate Affairs issued a notification no. G.S.R. 303(E) dated 06.04.2011 prescribing increase in the maximum limit of remuneration that could be paid to a relative of any Director, without obtaining approval of the Central Government, from Rs.50,000/- per month (as per earlier notification no. 89(E) dated 05.02.2003) to Rs.2,50,000 per month. This notification has come into effect from April 6, 2011.

In the circumstances, the Board considered the appointment of Ms. M. R. Deepthi afresh and re-appointed her as Manager – Finance at the following terms:

- **Salary:** Rs.1,25,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2012 and thereafter April 1, every year.
- **Perquisites:** Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.
- **Tenure:** 5 Years with effect from May 1, 2011 to April 30, 2016.

The total remuneration will be subject to a limit of Rs.2,50,000/- per month (Rs.30,00,000/- per annum) or such higher limit as the Central Government might prescribe from time to time in respect of Section 314 of the Companies Act, 1956.

The new terms and conditions are substantially the same as were approved by the members in the Annual General Meeting held on July 27, 2010.

The Board recommends the resolution set out under Item No.4 for approval by the members as Special Resolution.

None of the Directors except Mr. M. P. Ramachandran and Ms. M. R. Jyothy is in any way concerned or interested in the above resolution.

Item No.5

Mr. Ravi Razdan was appointed as 'Head-I.T.' of the Company w.e.f. April 1, 2010. By qualification he has completed B.E. in Information Technology from Nanded and M.M.S. in Systems from the renowned institute, i.e., S.I.E.S.

College of Management Studies, Navi Mumbai, affiliated to Mumbai University. He was working with Kotak Mahindra Bank Ltd. as Senior Manager in the Department of Information Technology for the duration of about 4 years and had handled various projects. He has computer proficiency in the following:

Computer Proficiency	
Operating System	Win Xp,Vista,Windows Server 2008
Programming Languages	Pl/Sql,Java
Database	Oracle 9i,Oracle 10g,Sql server 2008
Platforms	Oracle portal,.Net 3.5
App Servers Worked on	Apache Tomcat, Oracle 10g,IIS 7.0
Project Tools	Ms Projects
Graphical Tools	Macromedia flash

Mr. Ravi Razdan is now 'Head – I.T.' and Communication functions in the Company since April 1, 2010. His responsibilities include administration, supervision and maintenance of I.T. and Communication Infrastructure including its updates, various software packages and programmes in use including ERP under implementation, reporting packages etc. and their regular upgrades for the Company and its subsidiaries.

Subject to approval of the Members in the General Meeting, the Board Members have appointed Mr. Ravi Razdan as 'Head-IT' for a period of 5 years with effect from April 1, 2010 to March 31, 2015 at a consolidated total remuneration of Rs.50,000/- per month. Later the Board at its meeting held on May 25, 2010 decided to revise his remuneration. The members in the Annual General meeting held on July 27, 2010 approved the appointment and revision of his remuneration with effect from August 1, 2010 as under:

Salary: Rs.1,00,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2011 and thereafter April 1, every year.

Perquisites: Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

Tenure: 5 Years with effect from April 1, 2010 to March 31, 2015.

The Central Government vide their SRN no. A93205649 / 1 / 2010 / CL.-VII dated 2nd December, 2010 approved the appointment with a total remuneration of Rs.6,00,000/- (Rupees Six Lac only) per annum for a period of five years without any fringe benefits/ perquisites and without any increase over five year period.

The remuneration approved by the Central Government was considered to be grossly inadequate and accordingly representation was made to the Central Government requesting them to reconsider and approve the remuneration as approved by the shareholders. While the response of Central Government to the representation was pending, the Ministry of Corporate Affairs issued a notification no. G.S.R. 303(E) dated 06.04.2011 prescribing increase in the maximum limit of remuneration that could be paid to a relative of any Director without obtaining approval of the Central Government from Rs.50,000/- per month (as per earlier notification no. 89(E) dated 05.02.2003) to Rs.2,50,000 per month. This notification was effective from April 6, 2011.

In the circumstances, the Board considered the matter afresh and re-appointed him as Head – I.T. at the following terms:

- **Salary:** Rs.1,25,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2012 and thereafter April 1, every year.
- **Perquisites:** Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.
- **Tenure:** 5 Years with effect from May 1, 2011 to April 30, 2016.

The total remuneration would be subject to a limit of Rs.2,50,000/- per month (Rs.30,00,000/- per annum) or such higher limit as the Central Government might prescribe from time to time in respect of Section 314 of the Companies Act, 1956.

The new terms and conditions are substantially the same as were approved by the members in the Annual General Meeting held on July 27, 2010.

The Board recommends the resolution set-out under Item no.5 for approval by the members as Special Resolution.

None of the Directors except Mr. M. P. Ramachandran and Ms. M. R. Jyothy is in any way concerned or interested in the above resolution.

Item No.6

The Board in its meeting held on April 29, 2011 has approved the appointment of Mr. M. P. Divakaran, Brother of Mr. M. P. Ramachandran - Chairman and Managing Director of the Company, as General Manager of the Company with effect from May 1, 2011. He is based at the Company's Kandanassery Factory situated in Kerala and is responsible for all business activities of the Company in Kerala. Mr. Divakaran had been associated with the Company as Whole-Time-Director till June, 2007. He has good knowledge about the business and market of the Company's products especially in Kerala. His appointment will be beneficial for the growth of the Company in the state of Kerala. The remuneration payable to him is proposed @ 1,00,000/- per month.

The Board recommends the resolution set-out under Item no.6 for approval by the members as Special Resolution.

None of the Directors except Mr. M. P. Ramachandran is in any way concerned or interested in the above resolution.

By Order of the Board

For **JYOTHY LABORATORIES LIMITED**

Date : 30th May, 2011

Place : Mumbai

M. L. Bansal

Company Secretary