

SUDARSHAN

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Registered Office & Global Head Office : 162, Wellesley Road, Pune – 411 001

Tel No.: 020-26226200 Fax No.: 020-26058222

Website: www.sudarshan.com Email: contact@sudarshan.com

CIN: L24119PN1951PLC008409

POSTAL BALLOT NOTICE

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) to seek approval of the shareholders for payment of remuneration to Mr. Rajesh B. Rathi (DIN: 00018628) as Managing Director in accordance with the provisions of the Companies Act, 2013 and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), proposed to be passed as a Special Resolution by the Members of Sudarshan Chemical Industries Limited ("Company") by way of Postal Ballot including voting by electronic means ("e-voting").

The proposed special resolution and explanatory statement stating the material facts and the reasons for the proposal is appended below and a Postal Ballot Form is enclosed for your consideration.

The Company has appointed, Mr. Rajesh Karunakaran, Practising Company Secretary, (COP No. 6581), as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot Notice and Form and return the Form duly completed in all respects in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer not later than close of working hours i.e 5.00 P.M., on **Saturday, March 28, 2020**. The Company is also providing e-voting facility for voting on the Special Resolution. Shareholders desiring to opt for e-voting facility are requested to read the notes to the Postal Ballot Notice and instructions given thereunder for e-voting purpose.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballots and the result of the voting by Postal Ballot will be announced on or before **Monday, March 30, 2020** and displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office, intimated to the stock exchanges, hosted on the website of the Company and National Securities and Depositories Limited ("NSDL").

RESOLUTION:

Remuneration of Mr. Rajesh B. Rathi (DIN: 00018628) as Managing Director in accordance with the provisions of the Companies Act, 2013 and Regulation 17(6)(e) of the Listing Regulations.

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

"RESOLVED THAT pursuant to Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any amendment, modification or re-enactment thereof) and rules made there under and Schedule V thereto and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded for revision in remuneration of Mr. Rajesh B. Rathi (DIN: 00018628), Managing Director from time to time on such terms and conditions notwithstanding that the remuneration payable to Mr. Rajesh B. Rathi in any year exceeds Rupees 5 crores or 2.5% of the net profits of the Company, whichever is higher, during the remaining tenure of his appointment up to **May 31, 2023**.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of remuneration payable to Mr. Rajesh B. Rathi, Managing Director, as it may, at its discretion, deem fit, from time to time provided however the remuneration after the alteration / variation shall not exceed the limits specified in applicable sections of the Companies Act, 2013 read with Schedule V appended to the Companies Act, 2013, or any statutory amendment or re-enactment thereof and any such revision of remuneration within the overall limits set out under the Companies Act, 2013 shall be deemed to have been specifically approved by the Members in General Meeting."

By order of the Board of Directors
For **SUDARSHAN CHEMICAL INDUSTRIES LIMITED**

(MANDAR VELANKAR)
Deputy General Manager - Legal & Company Secretary
(Membership No. – A14469)

Place: Pune
Date: February 5, 2020

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act") stating all material facts and reasons for the proposed resolution is annexed hereto.
2. This Notice along with the Postal Ballot Form is being sent by electronic mode to those Members, whose e-mail addresses are registered with the Company/Depositories, unless any Member has registered for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice also will be available on the Company's website, www.sudarshan.com and on the website of National Securities and Depositories Limited ("NSDL"), www.evoting.nsdl.com.
3. Voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the Members on **Friday, February 14, 2020 ("Cut-off date")**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by Postal Ballot or e-voting.
4. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), Regulation 44 of the Listing Regulations, the Company is pleased to provide voting by electronic means ("**e-voting**") to the Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL to provide e-voting facility to its Members.
5. Members can opt for only one mode of voting i.e. either Postal Ballot Form or e-voting. In case, any Member cast his votes both by Postal Ballot Form and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.
6. The Resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Form or e-voting i.e. **Saturday, March 28, 2020**.
7. A member cannot exercise his vote by proxy on Postal Ballot.
8. Members desiring to exercise their vote by Postal Ballot Form are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the said Form duly completed and signed, in the enclosed postage prepaid self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than 5.00 p.m. (IST) on **Saturday, March 28, 2020**. The postage will be borne by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or registered/speed post or deposited personally at the address given on the self-addressed Business Reply Envelope at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 p.m. (IST) on **Saturday, March 28, 2020**, it will be considered that no reply from the Member has been received. Additionally, please note that the Postal Ballot Forms shall be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member; and/or (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member; and/or (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his vote; and/ or (v) the details provided in the form are incomplete or incorrect; and/or (vi) Postal Ballot Form is not signed or signature does not tally; and/or (vii) if the Postal Ballot Form other than the one issued by the Company is used.
9. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through Physical Form may download the Postal Ballot Form attached in the e-mail or from the link www.evoting.nsdl.com and Company's website www.sudarshan.com and send the duly completed and signed Postal Ballot Form to the Scrutinizer so as to reach on or before 5.00 p.m. (IST) on **Saturday, March 28, 2020**.
10. In case, a Member is desirous of obtaining a duplicate Postal Ballot Form, the Member may write to the Company at its registered office or its Registrar and Share Transfer Agents: Link Intime India Private Limited, Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune, Maharashtra 411001. However, the duly completed and signed Duplicate Postal Ballot Form should reach the Scrutinizer on or before 5.00 p.m. (IST) on **Saturday, March 28, 2020**.
11. The documents referred to in the Explanatory Statement will be available for inspection at the Company's registered office from **February 28, 2020** between 11.00 a.m. and 1.00 p.m. on any working day of the Company, except Saturday, till **March 28, 2020**.
12. The instructions for e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsd.com/> either on personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to

Step 2 i.e. Casting of your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	a. 8 Character DP ID followed by 8 Digit Client ID b. For example if your DP ID is In300*** and c. Client ID is 12***** then your user ID is d. IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	a. 16 Digit Beneficiary ID b. For example if your Beneficiary ID is c. 12***** then your user ID is d. 12*****
c) For Members holding shares in Physical Form.	a. EVEN Number followed by Folio Number registered with the company b. For example if folio number is 001*** and EVEN is 112834 then user ID is 112834001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- (a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- (b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
- (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Corporate and Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to karunakaran2004@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
4. The e-voting period commences from 9.00 a.m. (IST) on **Friday, February 28, 2020** to 5.00 p.m. (IST) on **Saturday, March 28, 2020**.

During this period, Members holding shares either in physical form or in dematerialized form, as on **Friday, February 14, 2020** i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

5. The Scrutinizer shall, immediately after the conclusion of voting through Postal Ballot, make a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him, who shall countersign the same. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sudarshan.com and on the website of NSDL, www.nsdl.co.in immediately after the result is declared by the Chairman and forthwith communicated to the Stock Exchanges viz. BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com. The results shall also be displayed on the notice board at the Registered Office and the Corporate Office of the Company immediately after the declaration of the result by the Chairman or any person authorised by him in writing for information of the Members.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As per Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which has come into force from April 01, 2019, fees or compensation payable to executive directors who are promoters or members of the promoter group, would require the approval of the Members of the Company by way of a special resolution if the annual remuneration payable to such executive director exceeds Rs. 5 crore or 2.5% of the net profits of the Company, whichever is higher.

Mr. Rajesh B. Rathi was appointed as Managing Director of the Company with effect from June 1, 2018. The Board is authorised to revise his remuneration from time to time subject to statutory ceilings prescribed under the Companies Act, 2013. At the time of appointment of Mr. Rajesh B. Rathi, limits prescribed under the Listing Regulations were not in force. Under the leadership of Mr. Rajesh B. Rathi, the Company has made remarkable progress in every field and taken long strides to establish itself as one of the top five global pigment manufacturing companies. The Nomination and Remuneration Committee felt that while recommending revision to the remuneration of Mr. Rajesh B. Rathi in recognition of his contribution, limits prescribed by Listing Regulations need to be taken into consideration. Therefore, approval of shareholders by way of an enabling resolution is being sought in case the revised remuneration exceeds the limits prescribed under the provisions of Regulation 17(6)(e) of the Listing Regulations. It is proposed that the total remuneration would be within the limit prescribed under Section 197 of the Companies Act, 2013 viz. 5% of the Net Profits of the Company.

The remuneration payable to Mr. Rajesh B. Rathi consists of salary, allowances, perquisites, retirement benefits etc. as per the rules of the Company and in accordance with the Remuneration Policy adopted by the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Details of Mr. Rajesh B. Rathi are provided in the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, New Delhi are provided herein below.

Particulars	Mr. Rajesh B. Rathi
Age	51 Years
Qualification	B.E. Mech. Engg. MIT, Pune B.S.Chem. Engg Ohio University, USA. M.B.A.- Pittsburgh, Univesity – USA
Experience (including expertise in specific functional area) / Brief Resume	25 years. Under the leadership of Mr. Rajesh B. Rathi, the Company has made remarkable progress in every field and taken long strides to establish itself as the largest pigment producer in India. Currently the Company is ranked no. 4 globally and with the strong determination to be among the top three pigment producers globally within next five years.
Details of Remuneration	The remuneration payable to Mr. Rajesh B. Rathi consists of salary, allowances, perquisites, retirement benefits etc. as per the rules of the Company and in accordance with the Remuneration Policy adopted by the Company. Approval of the shareholders is requested by way of an enabling resolution in case the revised remuneration exceeds the limits prescribed under the provisions of Regulation 17(6)(e) of the Listing Regulations.
Date of first appointment on the Board	May 23, 2008
Shareholding in the Company as on 31st December, 2019	32,84,140 4.74%
Relationship with other Directors / Key Managerial Personnel	Not Applicable
Number of meetings of the Board attended during the year (till date)	7
Directorships of other Boards as on 31st March, 2019	8
Membership / Chairmanship of Committees of other Boards till date	Nil

Except Mr. Rajesh B. Rathi and his relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

By order of the Board of Directors
For **SUDARSHAN CHEMICAL INDUSTRIES LIMITED**

(MANDAR VELANKAR)
Deputy General Manager - Legal & Company Secretary
(Membership No. – A14469)

Place: Pune

Date: February 5, 2020