

8th July, 2020

DCS – Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code - 506655

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Scrip Symbol - SUDARSCHEM

Dear Sir,

Sub : Dispatch of Postal Ballot Notice

Pursuant to Section 110 of the Companies Act, 2013 (“the Act”), as amended, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), as amended, read with Regulation 44 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations, 2015”), as amended, and in terms of General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 22/2020 dated 15th June, 2020 issued by The Ministry of Corporate Affairs (“MCA”), we enclose herewith the Postal Ballot Notice along with the Explanatory Statement, seeking approval of members on items related to the Company’s Stock Appreciation Rights Plan 2020, increasing the borrowing limits, and increasing the limits for creation of mortgage / charge on the assets of the Company.

In view of the above mentioned General Circulars issued by the MCA and due to COVID-19 pandemic situation, the Postal Ballot Notice along with the Explanatory Statement thereof was sent through electronic mode only to those members, whose email addresses were registered with the Company / Registrar and Share Transfer Agent (“RTA”) / Depository Participant(s) (“DP”) / Depository(ies), as on the cut-off date i.e. Tuesday, 30th June, 2020, and such shareholders are entitled to cast their vote only through electronic mode. Those who have not registered their email addresses are requested to refer to the Notes forming part of the Notice.

The dispatch of the Postal Ballot Notice and Explanatory Statement was completed through email on Tuesday, 7th July, 2020.

The said Notice and Explanatory Statement has been uploaded on the Company's website www.sudarshan.com under tab Investors > Notices, and National Securities and Depositories Limited (NSDL) website <https://www.evoting.nsdl.com/>.

The Company has engaged the services of NSDL for the purpose of providing e-voting facility to its members in respect to the items forming part of the Notice.



Sudarshan Chemical Industries Limited

Global Head Office :
162 Wellesley Road, Pune - 411 001, India
Tel: +91 20 260 58 888 Fax: +91 20 260 58 222
Email : contact@sudarshan.com

www.sudarshan.com

CIN : L24119PN1951PLC008409

Further, please find below the schedule of events for postal ballot:

Sr. No.	Activity	Date
1.	Remote e-Voting Start Date	Wednesday, 8 th July, 2020
2.	Remote e-Voting Start Time	9:00 a.m.
3.	Remote e-Voting End Date	Thursday, 6 th August, 2020
4.	Remote e-Voting End Time	5:00 p.m.
5.	Receipt of Scrutinizer's Report and Declaration of the e-Voting Results	On or before Saturday, 8 th August, 2020

Detailed instructions for e-voting facility and registration of email address of the members, are provided in the Postal Ballot Notice.

Kindly take the same on record.

Thanking You,
Yours faithfully,

For SUDARSHAN CHEMICAL INDUSTRIES LIMITED


MANDAR VELANKAR
DGM – LEGAL & COMPANY SECRETARY



Encl. as above

SUDARSHAN

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

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

Tel No.: 020-68281200 **Fax No.:** 020-26058222

Website: www.sudarshan.com **Email:** shares@sudarshan.com

CIN: L24119PN1951PLC008409

POSTAL BALLOT NOTICE

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("the Act"), as amended, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, ("The Rules"), as amended, read with Regulation 44 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations, 2015"), as amended, and in terms of General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 22/2020 dated 15th June, 2020 issued by The Ministry of Corporate Affairs ("MCA") to seek approval of the shareholders on the items set out in this Notice.

In view of the above mentioned General Circulars issued by the MCA and due to COVID-19 pandemic situation, the Postal Ballot Notice along with the Explanatory Statement thereof is being sent through electronic mode only to those members, whose email addresses are registered with the Company / Registrar and Share Transfer Agent ("RTA") / Depository Participant(s) ("DP") / Depository(ies), as on the cut-off date i.e. **Tuesday, 30th June, 2020**, and such shareholders are entitled to cast their vote only through electronic mode. Those who have not registered their email addresses are requested to refer to the Notes forming part of this Notice.

The Company has appointed, Mr. Rajesh Karunakaran, Practicing Company Secretary, Pune (FCS No. 7441, C. P. No. 6581), as a Scrutinizer to scrutinize the process of Postal Ballot in a fair and transparent manner.

You are requested to read the Notes to this notice and cast your vote electronically before 5.00 p.m. IST on **Thursday, 6th August, 2020**. The Scrutinizer will submit his report to the Chairman or any person authorised by him, and it will be declared on or before **Saturday, 8th August, 2020**, and displayed on the Notice Board of the Company at its Registered Office, displayed on the website of the Company at www.sudarshan.com, intimated to the stock exchanges i.e. BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"), and on the website of the National Securities and Depositories Limited ("NSDL").

RESOLUTIONS:

Item No. 1

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

APPROVAL OF GRANT OF STOCK APPRECIATION RIGHTS TO THE EMPLOYEES / DIRECTORS OF THE COMPANY UNDER THE SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, as amended ("the Act"), the relevant provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable ("SEBI Listing Regulations, 2015"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the approval and consent of the Members of the Company ("Members") be and is hereby accorded respectively to the introduction and implementation of 'SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020' ("Sudarshan SAR Plan 2020"), and authorizing the Board to create, offer and grant, from time to time, in one or more tranches, such number of Cash Settled Stock Appreciation Rights ("SAR's") to or for the benefit of such person(s) who are in permanent employment of the Company within the meaning of Sudarshan SAR Plan 2020, including any Director (other than Promoters, Independent Directors and Directors holding directly or indirectly holding more than 10% of the outstanding equity shares of the Company), whether whole time or otherwise, whether working in India or out of India (hereinafter referred to as "Employee(s)"), as may be decided under the Sudarshan SAR Plan 2020, and that the total quantum of options under Sudarshan ESOP 2018 and SARs under Sudarshan SAR Plan 2020 shall not exceed the limit of 2% of the issued capital of the Company as on the date of passing this resolution, either directly or through an Employee Welfare Trust (herein after referred to as "Trust") to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT the Board for this purpose, be and is hereby further authorised to issue and allot equity shares to the Trust upon grant of SARs to the eligible employees (1 SAR equivalent to 1 Equity share of Rs.2/- each) from time to time in accordance with the Sudarshan SAR Plan 2020 and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT each SAR confers the right on the Eligible Employee(s) to receive the difference between the Market price on the date of vesting / exercise as applicable and the Market price as on the date of grant in cash.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organization, and others, the Board shall decide on the fair and reasonable adjustment to be made to the SARs granted earlier, in compliance with the applicable laws and if any additional SARs are required to be issued and / or transferred and/or granted by the Company and/or the Trust, the ceiling as aforesaid of 2% of issued capital of the Company shall be deemed to increase pursuant to such corporate action, to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Sudarshan SAR Plan 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the Sudarshan SAR Plan 2020, subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Sudarshan SAR Plan 2020 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorising or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Sudarshan SAR Plan 2020 as also to make applications to the appropriate authorities, parties and institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to any Committee or any director or officers of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper to give effect to aforesaid resolution."

Item No. 2

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

APPROVAL OF GRANT OF STOCK APPRECIATION RIGHTS TO THE EMPLOYEES / DIRECTORS OF THE SUBSIDIARY COMPANY(IES) OF THE COMPANY UNDER THE SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, as amended ("the Act"), the relevant provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable ("SEBI Listing Regulations, 2015"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the approval and consent of the Members of the Company ("Members") be and is hereby accorded to create, offer and grant from time to time, in one or more tranches, such number of Cash Settled Stock Appreciation Rights ("SARs") under the 'SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020' ("Sudarshan SAR Plan 2020"), within the limit prescribed therein to or for the benefit of the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any present and future subsidiary company(ies) of the Company, whether in or outside India, as may be decided under the Sudarshan SAR Plan 2020, whether whole time or otherwise, whether working in India or out of India (hereinafter referred to as "Employee(s)"), as may be decided under the Sudarshan SAR Plan 2020, and that the total quantum of options under Sudarshan ESOP 2018 and SARs under Sudarshan SAR Plan 2020 shall not exceed the limit of 2% of the issued capital of the Company as on the date of passing this resolution, either directly or through an Employee Welfare Trust (herein after referred to as "Trust") to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT the Board for this purpose, be and is hereby further authorised to issue and allot equity shares to the Trust upon grant of SARs to the eligible employees (1 SAR equivalent to 1 Equity share of Rs.2/- each) from time to time in accordance with the Sudarshan SAR Plan 2020 and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT each SAR confers the right on the Eligible Employee(s) to receive the difference between the Market price on the date of vesting / exercise as applicable and the Market price as on the date of grant in cash.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organization, and others, the Board shall decide on the fair and reasonable adjustment to be made to the SARs granted earlier, in compliance with the applicable laws and if any additional SARs are required to be issued and / or transferred and/or granted by the Company and/or the Trust, the ceiling as aforesaid of 2% of issued capital of the Company shall be deemed to increase pursuant to such corporate action, to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Sudarshan SAR Plan 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the Sudarshan SAR Plan 2020, subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Sudarshan SAR Plan 2020 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorising or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Sudarshan SAR Plan 2020 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to any Committee or any director or officers of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper to give effect to aforesaid resolution.”

Item No. 3

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

APPROVAL OF THE TRUST ROUTE FOR IMPLEMENTATION OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, as amended (“the Act”), the relevant provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the approval and consent of the Members of the Company (“Members”) be and is hereby accorded to the Board to consider implementing ‘SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020’ (“Sudarshan SAR Plan 2020”), through an “Employee Welfare Trust” (hereinafter referred to as “Trust”) and the Trust to subscribe, acquire, purchase, hold and deal in equity shares of the Company for the purpose of implementation of Sudarshan SAR Plan 2020 or any other Employee Stock Plan including Sudarshan ESOP 2018 or Share Based Employee Benefit Plan which may be introduced by the Company from time to time, (hereinafter referred to as “Employees Benefit Plan”), or for any other purpose(s) as contemplated herein and in due compliance with the provisions of the SEBI SBEB Regulations, the Companies Act, 2013 (including rules framed thereunder) and other applicable laws and regulations.

RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake transactions only as permitted in SBEB Regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the shares held by such Trust.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SBEB Regulations, Companies Rules and all other applicable laws at all times in connection with dealing with the shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Sudarshan SAR Plan 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the Sudarshan SAR Plan 2020, subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Sudarshan SAR Plan 2020 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorising or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Sudarshan SAR Plan 2020 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard .

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to any Committee or any director or officers of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper to give effect to aforesaid resolution."

Item No. 4

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

GRANT OF STOCK APPRECIATION RIGHTS TO THE EMPLOYEES / DIRECTORS OF COMPANY AND THAT OF THE SUBSIDIARY COMPANY(IES) (IF ANY) BY WAY OF SECONDARY ACQUISITION BY TRUST UNDER SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, as amended ("the Act"), the relevant provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") as applicable, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the approval and consent of the Members of the Company ("Members") be and is hereby accorded to 'SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020' ("Sudarshan SAR Plan 2020"), for creation, offer and grant from time to time Cash Settled Stock Appreciation Rights ("SARs"), to the eligible employees and Directors of the Company and its subsidiaries (hereinafter referred to as an "Employee(s)") vide Item Nos. 1 and 2 of this Postal Ballot Notice and further approval and consent of the members of the Company, be and is hereby accorded for secondary acquisition of shares through an "Employee Welfare Trust" (herein after referred to as "Trust") for implementation of Plan up to the fullest extent of limits prescribed hereunder and those under the SEBI SBEB Regulations as may be decided solely by the Board under the Plan, and that the total quantum of options under Sudarshan ESOP 2018 and SARs under Sudarshan SAR Plan 2020 shall not exceed the limit of 2% of the issued capital of the Company as on the date of passing this resolution through the Trust to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board subject to however that secondary acquisition by the Trust in any financial year shall not exceed 2% (Two Percent) of the paid-up equity capital as at the end of the previous financial year, more particularly, in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organization, and others, the Board shall decide on the fair and reasonable adjustment to be made to the SARs granted earlier, in compliance with the applicable laws and if any additional SARs are required to be issued and / or transferred and/or granted by the Company and/or the Trust, the ceiling for secondary acquisition as aforesaid of 2% of issued capital of the Company shall be deemed to increase pursuant to such corporate action, to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Sudarshan SAR Plan 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the Sudarshan SAR Plan 2020, subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Sudarshan SAR Plan 2020 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorising or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Sudarshan SAR Plan 2020 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard .

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on it, to any Committee or any director or officers of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper to give effect to aforesaid resolution."

Item No. 5

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

PROVISION OF MONEY BY THE COMPANY FOR PURCHASE OF ITS OWN SHARES BY THE TRUST / TRUSTEES FOR THE BENEFIT OF EMPLOYEES / DIRECTORS UNDER SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020, SUDARSHAN CHEMICAL INDUSTRIES LIMITED EMPLOYEE STOCK OPTION PLAN 2018 AND ANY FUTURE PLANS AS MAY BE INTRODUCED FOR THE BENEFIT OF EMPLOYEES / DIRECTORS OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, as amended ("the Act"), the relevant provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the approval and consent of the Members of the Company ("Members") be and is hereby accorded to the Board to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to the Employee Welfare Trust (hereinafter referred to as "Trust"), to be set-up by the Company, on such terms and conditions as may be deemed fit by the Board, for an amount not exceeding 2% of the aggregate of the paid up share capital and free reserves of the Company for the purpose of purchase of fully paid-up equity shares of the Company or subscription to the fully paid-up equity shares of the Company by the Trust/Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under 'SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020' ("Sudarshan SAR Plan 2020"), or any other employee / plan or share based employee benefit plan which may be introduced by the Company from time to time (hereinafter referred to as "Employee Benefit Plan(s)") from time to time, with a view to deal in such equity shares in line with contemplated objectives of the Scheme or for any other purpose(s) as permitted under and in due compliance with the provisions of the SBEB Regulations, the Companies Rules and other applicable laws and regulations.

RESOLVED FURTHER THAT any loan provided by the Company shall be repayable by the Trust and recoverable by the Company from time to time during the term of the Sudarshan SAR Plan 2020 in accordance with the provisions of the Plan and all applicable laws including the SBEB Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary or expedient and also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Committee was authorised to do for the purpose of giving effect to this resolution."

Item No. 6

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

TO INCREASE THE BORROWING LIMITS OF THE COMPANY

“RESOLVED THAT in supersession of the earlier resolutions passed in this regard and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors for borrowing any sum or sums of moneys in Indian Rupees or Foreign currencies for and on behalf of the Company, from time to time from any one or more persons, Firms, Bodies Corporate, Banks, Financial Institutions or from others by way of advances, deposits, loans, non-convertible debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties, both present and future, movable or immovable situated at Roha and Mahad, Dist. Raigad and Ambadvet, Amralewadi, Tal. Mulshi, Dist. Pune and/or situated at any other place but excluding movable and immovable properties of the Company situated at 162, Wellesley Road, Pune 411 001, notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company, free reserves and securities premium account, provided that the total amount upto which the monies may be borrowed shall not exceed in the aggregate Rs.1200 Crores (Rupees Twelve Hundred Crores) at any point of time.

RESOLVED FURTHER THAT that the Board of Directors be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever at it may think fit and to do all such acts, deeds and things, to execute all such documents and writings as may be required.”

Item No. 7

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

TO INCREASE THE LIMIT FOR THE CREATION OF MORTGAGE / CHARGE ON THE ASSETS OF THE COMPANY

“RESOLVED THAT in supersession of the earlier resolutions passed in this regard and pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors for mortgaging and or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the whole or substantially the whole of the undertaking of the Company, all moveable and immovable properties of the Company and also intangible properties (whether recorded in the books or not), both present and future, movable or immovable, situated at Roha and Mahad, Dist. Raigad and Ambadvet, Amralewadi, Tal. Mulshi, Dist. Pune and/or situated at any other place but excluding movable and immovable properties of the Company situated at 162, Wellesley Road, Pune 411 001 in favour of Financial Institutions / Investment Institution(s) / Bank(s) / Trustees to secure the borrowings and / or other credit facilities availed or proposed to be availed together with interest thereon and such other costs, charges, expenses and other monies payable by the Company as per the terms and conditions of the said loan / facility agreement/s entered into or proposed to be entered into by the Company, upto a maximum limit not exceeding Rs. 1500 Crores (Rupees Fifteen Hundred Crores).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating aforesaid mortgages, charges and or hypothecation and to accept any modifications to or modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

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

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

Date: 25th May, 2020

Place: Pune

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. The said resolutions and Explanatory Statement are being sent for your consideration through email.
2. In terms of MCA General Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 22/2020 dated 15th June, 2020, and due to COVID-19 pandemic situation, the Postal Ballot Notice along with the Explanatory Statement thereof is being sent through electronic mode only to those members, whose email addresses are registered with the Company / Registrar and Share Transfer Agent ("RTA") / Depository Participant(s) ("DP") / Depository(ies). Accordingly, the members are required to cast their vote through electronic mode only. Those members who have already registered their email addresses are requested to keep their email addresses validated with the Company / RTA / DP / Depository (ies), as the case may be, in order to receive notices / documents / Annual Reports, and to cast vote electronically.

For members who have not received the notice due to change / non registration of their email address with the Company / RTA / DP, they may do so by following the procedure given below:

a) Registration of email id for members holding shares in physical form –

The members of the Company who hold shares in physical form and who have not registered their email addresses may get their email addresses registered with the Company's RTA, Link Intime India Private Limited ("Link Intime"), by clicking the link: https://linkintime.co.in/emailreg/email_register.html or through their web site www.linkintime.co.in > Investor Services > E mail / Bank Registration > select 'SUDARSHAN CHEMICAL INDUSTRIES LIMITED' and follow the registration process as guided therein. On submission of the member's details, an OTP will be received by the member, which needs to be entered in the link for verification.

b) Registration of email id of members holding shares in Demat form –

Members are requested to register their email address, in respect of their demat holding with their respective DP's.

3. The Postal Ballot Notice along with the Explanatory Statement is being sent to / published / displayed for all the members, whose names appear in the Register of Members or Register of Beneficial Owners as on **Tuesday, 30th June, 2020** (on close of business hours), in accordance with the provisions of the Companies Act, 2013, and Rules made thereunder and the above mentioned General Circulars issued by The Ministry of Corporate Affairs ("MCA").
4. The members who have not received any communication regarding this Postal Ballot remote e-voting for any reason whatsoever, the Member is requested to contact the Company at shares@sudarshan.com or RTA at pune@linkintime.co.in between 09:00 am to 05:00 pm IST on all working days, except Sunday.
5. In compliance with the provisions of Sections 108, 110 and other applicable of the Act, as amended, read with the Companies (Management and Administration) Rules, 2014 ("**Rules**"), as amended, and in compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), as amended, the Company is pleased to provide voting by electronic means ("**remote 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. **The e-voting Event Number (EVEN) for this purpose is '113071'.**
6. The voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the Members on **Tuesday, 30th June, 2020** (on close of business hours) ("**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 remote e-voting.
7. The Resolutions, if passed by requisite majority, will be deemed to have been passed on the last date specified for remote e-voting i.e. **Thursday, 6th August, 2020.**
8. A member cannot exercise his vote by proxy on Postal Ballot.
9. The documents referred to in the Explanatory Statement, if any, will be available for inspection at the Company's Registered Office from **Wednesday, 8th July, 2020 to Thursday, 6th August, 2020** between 11.00 a.m. and 1.00 p.m. on any working day of the Company, except Saturday and Sunday.
10. 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 following URL: <https://www.evoting.nsdl.com/> either on a 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 eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast 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.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113071 then user ID is 113071001***

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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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.nsdl.com.

- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.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 is 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

11. 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
12. 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.
13. 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

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to shares@sudarshan.com or RTA at pune@linkintime.co.in
- b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to shares@sudarshan.com or RTA at pune@linkintime.co.in

14. The e-voting period commences from 9.00 a.m. (IST) on **Wednesday, 8th July, 2020** to 5.00 p.m. (IST) to **Thursday, 6th August, 2020**.

During this period, Members holding shares either in physical form or in dematerialized form, as on **Tuesday, 30th June, 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.

15. The Board of Directors has appointed Mr. Rajesh Karunakaran, Practicing Company Secretary, Pune (FCS No. 7441, C.P. No. 6581), as a Scrutinizer to scrutinize the process of Postal Ballot in a fair and transparent manner.

16. 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.

17. The Results declared along with the Scrutinizer's Report shall be declared on or before **Saturday, 8th August, 2020** and 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 are declared by the Chairman and forthwith communicated to the Stock Exchanges viz. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at 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 and other applicable Regulations

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part of the Notice.

ITEM NOS. 1 to 4 OF THE NOTICE

Sudarshan Chemical Industries Limited ("Sudarshan" or "the Company") values its employees the most and believes in their complete well-being. Hence the Company has instituted several initiatives and programs to ensure a healthy and happy workforce as part of its mission to work in an exciting and vibrant environment. The Company has in place an aggressive corporate strategy.

Equity linked compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock-based compensation schemes. Sudarshan believes that equity-linked compensation plans are an effective tool to reward the talents working with the Company and its subsidiary company(ies). With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, the Company intends to implement a Cash Settled Stock Appreciation Rights ("SARs") plan namely 'SUDARSHAN CHEMICAL INDUSTRIES LIMITED STOCK APPRECIATION RIGHTS PLAN 2020' ("Sudarshan SAR Plan 2020") seeking to cover eligible employees of the Company and its existing and future subsidiary company(ies) in and outside India.

Accordingly, the Nomination and Remuneration Committee of the Board of Directors (the Committee) and the Board of Directors of the Company at their respective meetings held on 28th February 2020, had approved the introduction of the Sudarshan SAR Plan 2020, subject to your approval.

In terms of the provisions of Section 62(1)(b) and 67(3)(b) of the Companies Act, 2013, and rules made thereunder, as amended, read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations"), the Company seeks your approval of the Sudarshan SAR Plan 2020 and its implementation and the grant of SARs thereunder to the eligible employees of the Company and its subsidiary company(ies) in and outside India as decided from time to time as per the provisions of the Sudarshan SAR Plan 2020 read with the provisions of SEBI SBEB Regulations.

The main features of the Sudarshan SAR Plan 2020 are as under:

1. Brief Description of the Sudarshan SAR Plan 2020:

Keeping in view the aforesaid objectives, the Sudarshan SAR Plan 2020 contemplates grant of SARs to the eligible employees of the Company and of its subsidiary company(ies). The SEBI SBEB Regulations permit granting SARs to employees which entitle them to receive the difference between the Market price on the date of vesting / exercise as applicable and the Market price as on the date of grant in cash.

The Committee shall act as Compensation Committee for the administration of the Sudarshan SAR Plan 2020. All questions of interpretation of the Sudarshan SAR Plan 2020 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Sudarshan SAR Plan 2020.

2. Total number of SARs to be granted / equity shares to be issued:

The total number of SARs to be granted shall be such that the total quantum of options under Sudarshan ESOP 2018 and SARs under Sudarshan SAR Plan 2020 shall not exceed the limit of 2% of the issued capital of the Company as on the date of passing this resolution which entitle them to receive the difference between the Market price on the date of vesting / exercise as applicable and the Market price as on the date of grant in cash. The Board may issue and allot equivalent number of equity shares of Rs.2 each to the Trust upon grant of SARs to eligible employees.

Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division, etc., a fair and reasonable adjustment needs to be made to the SARs granted. In this regard, the Board / Committee shall adjust the number and price of the SARs granted in such a manner that the total value of the SARs granted under the Sudarshan SAR Plan 2020 remain the same after any such corporate action.

3. Identification of classes of employees entitled to participate in the Sudarshan SAR Plan 2020:

Following classes of employees are entitled to participate in the Sudarshan SAR Plan 2020:

- a) Permanent employees working with the Company or on deputation with any other Company in India or out of India;
- b) a Director of the Company, whether a whole-time director or not but excluding an Independent Director;
- c) Permanent employees and Directors of the present and future subsidiary company(ies), working with respective subsidiary company(ies) or on deputation with any other company, in India or outside India.

but does not include –

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.
- c) an Independent Director within the meaning of the Companies Act, 2013, and rules made thereunder

4. Requirements of vesting and period of vesting:

Vesting will be subject to compliance with conditions viz., continuance in employment, meeting requisite performance criteria etc. which are as per Sudarshan SAR Plan 2020.

5. Maximum period within which the SARs shall be vested:

SARs granted under Sudarshan SAR Plan 2020 would vest in accordance with the terms of each grant, subject to maximum period of 8 years from the date of such grant.

6. SAR price or pricing formula:

SAR would be granted at the latest available price as on the date of grant on the National Stock Exchange of India Limited (NSE) or BSE Limited (BSE) as per Sudarshan SAR Plan 2020 in compliance with SEBI SBEB Regulations.

7. Exercise period and the process of Exercise:

The SARs shall be allowed to be exercised as per the terms in the Sudarshan SAR Plan 2020.

8. Appraisal process for determining the eligibility of employees under the Sudarshan SAR Plan 2020:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company or subsidiary company, criticality of role, criticality of the position, performance rating, period of service, rank or designation and such other parameters as may be decided by the Committee from time to time..

9. Maximum number of SARs to be issued per employee and in aggregate:

The maximum number of SARs that may be granted to any specific employee of the Company or of its subsidiary(ies) under the Plan, in any Financial Year and in aggregate under the Sudarshan SAR Plan 2020 shall not exceed 1% of the issued capital (excluding outstanding warrant and conversions) of the Company at the time of the grant of such SARs.

10. Maximum Quantum of benefits to be provided per employee under the Sudarshan SAR Plan 2020:

The maximum quantum of benefit that will accrue to every eligible employee shall be in accordance with the respective grant made by the Board and will be settled in the form of Cash in accordance with the terms in the Sudarshan SAR Plan 2020.

11. Route / Implementation of Sudarshan SAR Plan 2020:

The Board is exploring to implement and administer the Sudarshan SAR Plan 2020 through a Trust, subject however to adherence with applicable laws and regulation as prevailing and in force from time to time. The Plan involves primary as well as secondary acquisition of shares by the Trust for the benefit of employees to implement Sudarshan SAR Plan 2020.

12. The amount of loan to be provided for implementation of the Sudarshan SAR Plan 2020 by the Company to the Trust, its tenure, utilisation, repayment terms, etc.:

The amount of loan to be provided to the Trust for implementation of Sudarshan SAR Plan 2020 shall be as prescribed by the Board of Directors from time to time. The Plan involves primary as well as secondary acquisition of shares by the Trust for the benefit of employees.

13. Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the scheme:

As specified in Sudarshan SAR Plan 2020, it would be subject to the limits specified under SEBI SBEB Regulations.

14. Accounting and Disclosure Policies:

Any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time. Sudarshan shall conform to the accounting policies as specified in Regulation 15 of SEBI SBEB Regulations.

15. Method of SARs Valuation:

The Company shall adopt 'fair value method' for valuation of SARs as prescribed under Guidance Note or under the Accounting Standard, as applicable, notified by appropriate authorities from time to time.

16. Particulars of the Trustees or employees in whose favour the shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and hold the fully paid-up equity shares in due compliance of the relevant provisions of SBEB Regulations and other applicable provisions. The Trustees shall transfer the benefit as per Sudarshan SAR Plan 2020 to the eligible employees.

17. Particulars of Trust and name, address, occupation and nationality of Trustees and their relationship with the Promoters, Directors or Key Managerial Personnel (KMP), if any:

An Irrevocable Trust in the nature of an Employee Welfare Trust is proposed to be set-up with the name "Sudarshan Chemical Industries Limited Employees Welfare Trust ("Trust") or such other name as the Board deems fit " having its registered office at 162, Wellesley Road, Pune - 411001. A person shall not be appointed as a trustee to hold such shares, if he (a) is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

18. Particulars of the Trustees being appointed:

The Trustee(s) would be appointed by the Board and / or the Committee duly authorised by the shareholders thereof and in compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder, and the SBEB Regulations.

A person shall not be appointed as a trustee to hold such shares, if he (a) is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

19. Any interest of key managerial personnel, directors or promoters in such Scheme or Trust and effect thereof:

Promoters are not eligible to be covered under the Scheme. However, key managerial personnel, directors may be covered or interested under the Scheme but only to the extent of SARs as may be granted to them, if any, under the Scheme / Trust and in due compliance with the SBEB Regulations.

20. Detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme:

As per Sudarshan SAR Plan 2020, the Eligible Employees shall be granted SARs. The benefit would be the difference between Market price on the date of vesting / exercise as applicable and the Market price as on the date of grant in cash.

21. Details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme(s) would be exercised:

As per SBEB Regulations, the Trustees shall not vote in respect of equity shares held in the Trust, and since there is no actual transfer of shares to the eligible employees, there would not be an event of voting rights.

A draft copy of the Sudarshan SAR Plan 2020 is available for inspection at the Company's Registered Office during official hours on all working days.

None of the Directors and / or Key Managerial Personnel of the Company and/or their relatives is in any way concerned in the aforesaid Special Resolutions, except to the extent of their entitlements, if any.

Your Directors recommend the Special Resolutions proposed at Item Nos. 1 to 4 of this Notice for your approval.

ITEM NO. 5 OF THE NOTICE

The Company proposes to provide loan to Trust/Trustees in order to purchase equity shares of the Company by way of primary or secondary acquisition for the benefit of eligible employee(s) as mentioned in the Sudarshan SAR Plan 2020.

The amount of loan to be provided to the Trust for implementation of Sudarshan SAR Plan 2020, its tenure, utilization, repayment shall be prescribed by the Board of Directors from time to time. The Plan involves primary and secondary acquisition of shares for the benefit of employees.

Details related to the Trust / Trustees are mentioned in the Explanatory Statement relating to Item Nos. 1 to 4 of the Notice.

None of the Directors and / or Key Managerial Personnel of the Company and/or their relatives is in any way concerned in the aforesaid Special Resolution, except to the extent of their entitlements, if any.

Your Directors recommend the Special Resolution proposed at Item No. 5 this Notice for your approval, in order to enable the Employee Welfare Trust to avail loan from the Company to implement and manage the Sudarshan SAR Plan 2020.

ITEM NO. 6 OF THE NOTICE

Pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors shall not except with the approval of the Company in General Meeting, borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital free reserves and securities premium account, apart from temporary loans obtained from the company's bankers in the ordinary course of business. The shareholders had earlier approved the borrowing limits of the Company upto Rs. 800 Crores.

In view of the growth potential of the Company in the near future, growing operations and the need for higher credit requirement, it is now proposed to obtain the permission of the Members to increase the borrowing limits up to Rs. 1200 Crores (Rupees Twelve Hundred Crores). Within this approved limit, the Board will approve each proposal for borrowing after ensuring that all applicable financial covenants are met by the Company.

None of the Directors and / or Key Managerial Personnel of the Company and/or their relatives is in any way concerned in the aforesaid Special Resolution at Item No.6 above.

Your Directors recommend the Special Resolution proposed at Item No. 6 of this Notice for your approval.

ITEM NO. 7 OF THE NOTICE

Pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 the Company requires consent of the shareholders to be obtained by passing special resolution for the purpose of mortgaging / creating charges on the properties of the Company to secure the loans availed by the Company. The shareholders had earlier approved the limit of up to Rs. 800 Crores for mortgaging / creating charges on the properties of the Company.

By this proposal, approval of the Members is sought for mortgaging / creating charge on the assets of the Company to secure the loans and working capital facilities availed by the Company. Taking into account the enhanced limit of borrowing and working capital facilities, approval of Members is sought for mortgaging / creating charges on properties of the Company upto Rs. 1500 Crores (Rupees Fifteen Hundred Crores).

None of the Directors and / or Key Managerial Personnel of the Company and/or their relatives is in any way concerned in the aforesaid Special Resolution at Item No.7 above.

Your Directors recommend the Special Resolution proposed at Item No. 7 of this Notice for your approval.

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

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

Date: 25th May, 2020
Place: Pune