

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

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CIN: L24119PN1951PLC008409

POSTAL BALLOT NOTICE

Dear Shareholders,

Notice is hereby given pursuant to Section 108 and 110 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022 and 11/2022 dated 28th December, 2022, General Circular No. 09/2023 dated 25th September, 2023 and General Circular No. 09/2024 dated 19th September, 2024 issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 issued by Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "Circulars"), Secretarial Standard on General Meetings SS-2 issued by The Institute of Company Secretaries of India ("ICSI") and any other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), to transact the Special Business as set out hereunder by way of Postal Ballot only through remote e-voting ("e-voting").

In compliance with the aforesaid provisions and Circulars, this Postal Ballot Notice ("Notice") is being sent only through electronic mode to all its Shareholders whose email addresses are registered with the Company/ Registrar and Share Transfer Agent ("RTA") or Depositories as on **Friday, 25th October, 2024 ("cut-off date")** and the communication to assent/dissent of the Shareholders on the resolutions proposed in this Notice will only take place through the remote e-voting system. If your email address is not registered with the Company/ RTA / Depositories, please follow the process provided in the notes to this Notice. Further, in compliance with the requirements of Circulars, physical copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Shareholders for this Postal Ballot.

Pursuant to Section 102 of the Companies Act, 2013, an Explanatory Statement pertaining to the said resolution(s) setting out the material facts and reasons thereof forms part of the Postal Ballot Notice ("Notice").

In compliance with the provisions of Sections 108 and 110 of the Act read with Rule 20 and Rule 22 of the Rules and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and Circulars, the Company has engaged the services of National Securities and Depositories Limited ("NSDL") for providing e-voting facility to all its Shareholders. The Shareholders (whether holding shares in demat form or in physical form) are requested to read the related notes to this Postal Ballot Notice and instructions given thereunder carefully and cast their votes by e-Voting. The remote e-Voting period commences on **Friday, 1st November, 2024 from 9.00 A.M. (IST) and ends on Saturday, 30th November, 2024 at 5.00 pm (IST) (both days inclusive)**. Shareholders are requested to carefully read the instructions while expressing their assent or dissent and cast vote via remote e-voting by not later than the close of working hours at **5.00 P.M. (IST) on Saturday, 30th November, 2024**.

The Company has appointed Mr. Rajesh Karunakaran, Practicing Company Secretary, (COP No. 6581), as Scrutinizer for conducting the Postal Ballot / e-voting in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the e-voting and the result of e-voting will be announced within statutory timelines and will be displayed on the website of the Company and will be intimated to the stock exchanges and NSDL.

SPECIAL BUSINESS:**Item No. 1:****Approval for increase in the Authorised Share Capital and consequent amendment to the Memorandum of Association**

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

"RESOLVED THAT pursuant to Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 as amended, and the Rules made thereunder from time to time including any statutory modifications or re-enactment thereof for the time being in force ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and in accordance with the provisions of the Articles of Association of the Company, consent of the Shareholders of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crore Fifty Lakh only) equity shares of Rs. 2/- (Rupee Two only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crore Only) equity shares of Rs. 2/- (Rupee Two only) each ranking pari-passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT the existing Clause V.(A) and V.(B) of the Memorandum of Association of the Company be and is hereby substituted as follows:

V.(A) The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crore Only) equity shares of Rs. 2/- (Rupee Two only) each, with the rights, privileges and conditions attaching thereto as are provided by the regulation of the Company for the time being, with power to increase and reduce the capital of Company and to divide the share capital into several classes and to attach thereto respective such preferential, deferred, qualified of special rights, privileges or conditions as may be determined by or in accordance with the regulation of the Company and to vary, modify or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

V.(B) The minimum paid up capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lakhs only).

RESOLVED FURTHER THAT Board of Directors of the Company and/or the directors or the Company Secretary as authorized by the Board be and are hereby severally authorised to sign the necessary agreements, documents as the case may be, obtain necessary permission, approvals as the case may be, and to do all such acts, deeds and things as may be necessary, incidental and/or consequential to give effect to the above resolution.”

Item No. 2:

Approval for raising of funds in one or more tranches through issuance of Equity Shares and / or other securities to eligible investors

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

“RESOLVED THAT pursuant to the provisions of sections 23, 41, 42, 62(1)(c), 179 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s), statutory modification(s), or re-enactment(s) thereof for the time being in force and in accordance with the provisions of the memorandum of association and articles of association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the Foreign Exchange Management Act, 1999 and the regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry Government of India from time to time, each as amended, the listing agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited (“Stock Exchanges”) where the equity shares of face value of Rs.2/- each of the Company (“Equity Shares”) are listed, and other applicable statutes, laws, regulations, rules, notifications or circulars or guidelines promulgated or issued from time to time by the Ministry of Finance, Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Registrar of Companies, Maharashtra (“RoC”), the Government of India (“GOI”) and such other governmental/ statutory/ regulatory authorities in India or abroad, and subject to all approvals, permissions, consents, and/or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/ statutory/ regulatory authority in India or abroad, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and/or sanctions by any of the aforesaid authorities, which may be agreed to by the Board of Directors of the Company (“Board” which term shall be deemed to include the Committee constituted by the Board namely “Fund Raising Committee” or any other Committee of Directors to be constituted for the time being, for exercising the powers conferred on the Board by this resolution), the approval of the members of the Company be and is hereby accorded to create, offer, issue, and allot such number of Equity Shares, and/or securities convertible into Equity Shares at the option of the Company and/ or the holders of such securities, and/ or securities linked to Equity Shares, and/or any other instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as “Securities”) (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) through one or more of the permissible modes including but not limited to private placement, qualified institutions placement (“QIP”), and follow on public offer or a combination thereof, to any eligible investors, including, resident and/or non-resident/ foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise/ foreign portfolio investors/ mutual funds/ pension funds/ venture capital funds/ banks/alternate investment funds/ Indian and/or multilateral financial institutions, insurance companies and any other category of persons or entities who/which are authorised to invest in Securities of the Company as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion (whether or not such investors are Members of the Company, to all or any of them, jointly and/or severally), for cash, in one or more tranches, for an aggregate amount of up to **Rs. 900 Crores (Rupees Nine Hundred Crores only)** (inclusive of such discount or premium to market price or prices permitted under applicable law), plus green shoe option upto 25% by way of issuance of Equity Shares or any other eligible securities on such other terms and conditions as may be mentioned in the offer document and/or placement document and/or private placement offer letter (along with the application form) and/ or such other documents/ writings/ circulars/ memoranda to be issued by the Company in respect of the proposed issue, as permitted under applicable laws and regulations), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion and without requiring any further approval or consent from the Members, considering the prevailing market conditions and/or other relevant factors, and wherever necessary, in consultation with the book running lead manager(s) and/or other advisors appointed by the Company and the terms of the issuance as may be permitted by SEBI, the Stock Exchanges, RBI, MCA, GOI, ROC, or any other concerned governmental/statutory/regulatory authority in India or abroad, together with any amendments and modifications thereto (“Issue”).

RESOLVED FURTHER THAT in the event the Issue is undertaken by way of a QIP, following provisions of the SEBI ICDR Regulations shall apply:

1. the allotment of Securities shall only be made to Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations;
2. the allotment of Securities, shall be completed within 365 days from the date of passing of the special resolution or such other time as may be allowed under the SEBI ICDR Regulations, Companies Act, and/or applicable and relevant laws/guidelines, from time to time;
3. the Securities to be created, offered, issued and allotted in terms of this resolution shall rank pari-passu in all respects including entitlement to dividend, with the existing Equity Shares of the Company, as may be provided under the terms of issue and in accordance with the placement document(s);
4. the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
5. the Securities allotted under the QIP shall not be eligible to be sold by the allottee for a period of one (1) year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations;
6. the relevant date for the purpose of determination of pricing of the Securities shall be the date of the meeting in which the Board or the Fund Raising Committee of the Board decides to open the QIP in accordance with Regulation 171(b) (i) of the SEBI ICDR Regulations and other applicable law;
7. issue of Securities to be made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations ("QIP Floor Price"), with the authority to the Board or the Fund Raising Committee to offer a discount of not more than five percent (5%), as permitted under SEBI ICDR Regulations on the QIP Floor Price;
8. no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; QIBs belonging to same group or under same control shall be deemed to be single allottee;
9. no partly paid-up Equity Shares shall be issued/ allotted;
10. no allotment shall be made, either directly or indirectly, to any person who is a promoter, or any person related to promoter in terms of the SEBI ICDR Regulations; and
11. the Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the SEBI ICDR Regulations, from the date of prior QIP made pursuant to one or more special resolutions.

RESOLVED FURTHER THAT in accordance with Regulation 171(b) of the SEBI ICDR Regulations, the 'Relevant Date' for determination of the floor price of the Equity Shares to be issued pursuant to QIP shall be the date of meeting in which the Board decides to open the QIP and in the event other eligible Securities are issued to QIBs by way of QIP, the 'Relevant Date' for pricing of such other eligible Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

RESOLVED FURTHER THAT in accordance with Regulation 179 of the SEBI ICDR Regulations, a minimum of ten percent (10%) of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company.

RESOLVED FURTHER THAT the Equity Shares/ Securities, as eligible, in accordance with applicable law, shall not be sold for a for a period of one year from the date of allotment, except on a recognised stock exchange or except as may be permitted from time to time under the SEBI ICDR Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to creation, offer, issue, allotment or listing of the Securities pursuant to the offering, the Board be and is hereby authorized, to take all actions and do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the offering, including but not limited to the negotiation, finalization and approval of the draft as well as final offer document(s), placement document, and any addenda or corrigenda thereto with the regulatory authorities, as may be required, placement agreement, escrow agreement, monitoring agency agreement, agreement with the depositories and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with regulatory authorities, if any) ("Transaction Documents") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents ("Ancillary Documents") as may be required or necessary for the aforesaid purpose, including to sign and/or dispatch

all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to execute any amendments to the Transaction Documents and the Ancillary Documents, and to determine the form and manner of the offering, identification and class of the Investors to whom the Securities are to be offered, utilization of the issue proceeds and if the Issue size exceeds Rs. 100 Crores, the Board must make arrangements for the use of proceeds of the Issue to be monitored by a credit rating agency registered with SEBI, in accordance with SEBI ICDR Regulations.

RESOLVED FURTHER THAT the issue and allotment of Securities, if any, made to eligible foreign investors eligible foreign investors pursuant to this resolution shall be subject to the approval of the RBI under the FEMA, as may be applicable, but within the overall limits as set forth thereunder.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted under the Issue or to be allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the Issue.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred by this resolution to any Committee of the Board, or any such persons as it may deem fit in its 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 for the purposes of the offering and settle any questions or difficulties that may arise in this regard to the offering.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized on behalf of the Company to do such acts, deeds, matters and take all steps as may be necessary including without limitation, for determining the terms and conditions of the Issue including among other things, the date of opening and closing of the Issue, the class of investors to whom the Securities are to be issued, determination of the number of Securities, tranches, issue price, finalization and approval of offer document, placement document, preliminary or final, interest rate, listing, premium/discount, permitted under applicable law (now or hereafter), conversion of Securities, if any, redemption, allotment of Securities, listing of securities at Stock Exchanges and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the placement document or the offer document, placement agreement, escrow agreement, monitoring agency agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/ or authorities as required from time to time, finalize utilisation of the proceeds of the Issue, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the Issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may exercise to that end and intend that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers pertaining to the QIP in such manner as they may deem fit to the Fund Raising Committee, with powers to further delegate any of such powers to any of the Director(s) and/or Official(s) of the Company or any other person(s), with or without such condition(s) or stipulation(s) or in any manner, as the Fund Raising Committee may deem fit in its absolute discretion.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to approve, finalise, execute, ratify, and/or amend/ modify/ redo agreements and documents, including any power of attorney, agreements, contracts, memoranda, documents, etc. in connection with the appointment of any intermediaries and/or advisors (including for marketing, obtaining in-principle approvals, listing, trading and appointment of book running lead managers, underwriters, guarantors, depositories, custodians, legal counsel, monitoring agency, bankers, trustees, stabilizing agents, advisors, registrars and all such agencies as may be involved or concerned with the Issue) and to remunerate them by way of commission, brokerage, fees, costs, charges and other expenses in connection therewith."

Item No. 3:

Issue of securities on a Preferential Basis to Member of the Promoter and Promoter Group of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), for the time being in force, and in accordance with the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), and rules, circulars, notifications, regulations and guidelines issued under FEMA, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations") and the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI") and/or any other statutory or regulatory authorities, including BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") on which the equity shares of the Company having face value of Rs. 2/- (Indian Rupees Two) each ("Equity Shares") are listed (hereinafter collectively referred to as "Applicable Regulatory Authorities") from time to time to the extent applicable, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approval(s), consent(s) and permission(s) as may be necessary or required, from Applicable Regulatory Authorities (including the Stock Exchanges) and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, consents and permissions, which the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more committee(s) constituted by the Board to exercise its powers including the powers conferred by this resolution), is hereby authorised to accept, the consent of the members of the Company be and is hereby accorded to offer, issue and allot from time to time in one or more tranches, up to 9,80,000 (Nine Lakhs Eighty Thousand) warrants, each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Company of face value of Rs. 2/- each ("Warrants") at a price of Rs. 1,019.75 (Rupees One Thousand Nineteen and Seventy Five Paise only) each payable in cash ("Warrants Issue Price"), not exceeding Rs. 100 Crores, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (Eighteen) months, to Mr. Rajesh Balkrishna Rathi, being a part of the promoter and promoter group of the Company (hereinafter referred to as "Proposed Allottee"), by way of a preferential issue in accordance with the terms of the Warrants as set out herein, and in the explanatory statement to this Notice of Postal Ballot, and on such other terms and conditions as set out herein, subject to applicable laws and regulations, including the provisions of Chapter V of the SEBI ICDR Regulations and the Act, as the Board may determine (the "Preferential Issue").

RESOLVED FURTHER THAT in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the "**Relevant Date**" for the purpose of determination of the floor price for the issue and allotment of Warrants is **Thursday, 31st October, 2024**, being the date 30 (thirty) days prior to the date on which the resolution will be deemed to have been passed on the last date specified for remote e-voting i.e. Saturday, 30th November, 2024.

RESOLVED FURTHER THAT the Preferential Issue of Warrants and allotment of equity shares on the exercise of the Warrants, shall be subject to the following terms and conditions, apart from others as detailed in the explanatory statement to this Notice and as prescribed under applicable laws:

- a) the Warrant holder shall, subject to the SEBI ICDR Regulations and other applicable rules and regulations, be entitled to apply for and be allotted 1 (one) equity share against each Warrant.
- b) the minimum amount of Rs. 254.94, which is equivalent to 25% (twenty five percent) of the Warrants Issue Price shall be paid at the time of subscription and allotment of each Warrant. The Warrant holder will be required to make further payments of Rs. 764.81 for each Warrant, which is equivalent to 75% (seventy five percent) of the Warrants Issue Price at the time of exercise of the right attached to the Warrant(s), to convert the Warrant(s) and subscribe to equity share(s) of the Company ("Warrant Exercise Amount").
- c) the Warrants shall be allotted in dematerialized form within a period of 15 (fifteen) days from the date of passing of the special resolution by the shareholders of the Company for their issuance, provided that where the allotment of Warrants is subject to receipt of any approval or permission from any regulatory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approval, or permission;
- d) the equity shares to be allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu with the then existing equity shares of the Company in all respects including the payment of dividend and voting rights;
- e) the equity shares allotted upon conversion of the Warrants shall be listed on the Stock Exchange(s) where the existing equity shares of the Company are listed, subject to the receipt of necessary permissions or approvals as the case may be;
- f) the Warrants shall not carry any voting rights until they are converted into equity shares and the Warrants by itself, until exercised and converted into equity shares, shall not give the Warrant holders any rights with respect to that of an equity shareholder of the Company;
- g) the right attached to the Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 (eighteen) months from the date of allotment of the Warrants by issuing a written notice ("Conversion Notice") to the Company specifying the number of Warrants proposed to be converted and the date designated as the specified conversion date ("Conversion Date"). The Company shall accordingly, without any further approval from the Members, allot the corresponding number of equity shares in dematerialized form on the Conversion Date mentioned in the Conversion Notice, subject to receipt of the relevant Warrant Exercise Amount by the Warrant holder to the designated bank account of the Company;
- h) the tenure of the Warrants shall not exceed 18 (eighteen) months from the date of allotment of the Warrants. If the entitlement against the Warrants to apply for the equity shares of the Company is not exercised by the Warrant holder within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid by the Warrant holder on such Warrants shall stand forfeited by the Company;
- i) the Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of rights attached to such Warrants shall be subject to lock-in as specified in the provisions of Chapter V of the SEBI ICDR Regulations;
- j) the pre-preferential allotment shareholding of the Proposed Allottees, if any, in the Company shall be subject to lock-in as specified in the provisions of Chapter V of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT pursuant to the provisions of the Act, the name of the Proposed Allottee be recorded for the issuance of invitation to subscribe to the Warrants and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Proposed Allottee inviting him to subscribe to the Warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such other acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, without being required to seek any further consent or approval of the members of the Company, including but not limited to the following:

(i) to issue and allot the Warrants and such number of equity shares may be required to be issued and allotted upon exercise/ conversion/ exchange of the Warrants, without requiring any further approval of the Members;

(ii) to negotiate, finalize and execute all necessary agreements/ documents/ form filings/ applications to effect the above resolutions, including to make applications to Applicable Regulatory Authorities, like applications to the Stock Exchanges for obtaining in-principle approval for the Warrants to be allotted pursuant to the Preferential Issue, and for obtaining listing approval and trading approval for the equity shares to be allotted upon conversion of the Warrants;

(iii) to vary, modify or alter any of the relevant terms and conditions, attached to the Warrants to be allotted to the Proposed Allottees, and to effect any modifications, changes, variations, alterations, additions and/or deletions to the Preferential Issue, as may be required by any regulatory or other authorities involved in or concerned with the issue and allotment of the Warrants;

(iv) to resolve and settle any matter, question, difficulty or doubt that may arise in regard to the issuance and allotment of Warrants and the equity shares to be allotted pursuant to the conversion of the Warrants, without requiring any further approval of the Members, and to authorize all such persons as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit;

(v) to issue clarifications on the offer, issue and allotment of the equity shares to be allotted pursuant to the conversion of the Warrants and listing of the equity shares to be allotted pursuant to the conversion of the Warrants on the Stock Exchanges, without limitation, as per the terms and conditions of the SEBI ICDR Regulations, the SEBI Listing Regulations, and other applicable guidelines, rules and regulations;

(vi) to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries, monitoring agency and advisors for the Preferential Issue of the Warrants and the equity shares to be allotted pursuant to the conversion of Warrants on a preferential and private placement basis);

(vii) to undertake all such actions and compliances as may be necessary, desirable or expedient for the purpose of giving effect to this resolution in accordance with applicable law including the SEBI ICDR Regulations and the SEBI Listing Regulations and to take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing, and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers conferred upon it by this resolution, as it may deem fit in its absolute discretion, to any director(s), committee(s), executive(s), officer(s), company secretary or authorized signatory(ies) to give effect to this resolution, including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all other steps which may be incidental, consequential, relevant or ancillary in this regard.

RESOLVED FURTHER THAT all actions taken by the Board or committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

Item No. 4:

Approval for enhancement of limit for the loan, guarantee and investment by the Company under Section 186 of the Companies Act, 2013, and Rules made thereunder

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include any Committee constituted/to be constituted by the Board thereof to exercise its powers including powers conferred under this resolution) to:

(a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) to invest/acquire securities or interest of any partnership, limited liability partnership, unincorporated association, trust, body corporate, company by way of subscription, purchase or otherwise, in one or more tranches, from time to time as the Board of Directors may deem fit, for an amount which is Rs. 2,300 Crores (Rupees Two Thousand Three Hundred Crores only) over and above the limits available to the Company under Section 186 and other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT Board of Directors of the Company and/or the Directors or any other Official of the Company as authorized by the Board be and are hereby severally authorised to negotiate and finalise the terms and conditions of such investments, to sign or execute the necessary agreements, documents as the case may be, obtain necessary permission, approvals statutory, contractual or otherwise, if any, as the case may be, to settle all matters arising out of and incidental thereto and to do all such acts, deeds and things as may be necessary, incidental and/or consequential to give effect to the above resolution."

Item No. 5:

Approval for increase in the borrowing limit under Section 180(1)(c) of the Companies Act, 2013, and Rules made thereunder

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

"RESOLVED THAT in supersession of the special resolution passed by the shareholders of the Company by way of Postal Ballot and which is deemed to have been passed at 6th August, 2020 and pursuant to section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Article of Association of the Company, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company hereinafter referred to as the "Board" which term shall be deemed to include any Committee or delegated authority thereof), to borrow money in any form including but not limited to by way of loans, financial facility, through the issuance of debentures/bonds, commercial paper or such other form on such terms and conditions as the Board may deem fit from time to time provided that the total amount upto which monies may be borrowed together with the money 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 higher of (i) sum of Rs. 3,000 Crores (Rupees Three Thousand Crores only) or (ii) aggregate of the paid-up share capital of the Company, its free reserves and securities premium account.

RESOLVED FURTHER THAT Board of Directors of the Company and/or the directors or any other official of the Company as authorized by the Board be and are hereby severally authorised to negotiate, finalise, sign and execute the necessary agreements, documents as the case may be, obtain necessary permission, approvals as the case may be, and to do all such acts, deeds and things as may be necessary, incidental and/or consequential to give effect to the above resolution."

Item No. 6:

Approval in terms of Section 180(1)(a) of the Companies Act, 2013 and Rules made thereunder for creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company

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

"RESOLVED THAT in supersession of the special resolution passed by the shareholders of the Company by way of Postal Ballot and which is deemed to have been passed at 6th August, 2020 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee or delegated authority thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/ other instruments to secure rupee/foreign currency loans and/ or the issue of debentures whether partly/fully convertible or non-convertible securities and/ or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount upto monies may be borrowed together with the money 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 higher of (i) sum of Rs. 3,000 Crores (Rupees Three Thousand Crores only) or (ii) aggregate of the paid up share capital of the Company, its free reserves and securities premium account.

RESOLVED FURTHER THAT Board of Directors of the Company and/or the Directors or any other Official of the Company as authorized by the Board be and are hereby severally authorised to sign the necessary agreements, documents as the case may be, obtain necessary permission, approvals as the case may be, to settle all questions and difficulties in connection with the sale without requiring to seek any further approval of the shareholders and to do all such acts, deeds and things as may be necessary, incidental and/or consequential to give effect to the above resolution."

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

(MANDAR VELANKAR)
GENERAL COUNSEL AND COMPANY SECRETARY
(Membership No. – A14469)

Pune, 31st October, 2024
Sudarshan Chemical Industries Limited
Registered Office and Global Head Office:
7th Floor, Eleven West Panchshil,
Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India
CIN: L24119PN1951PLC008409
Website: www.sudarshan.com
Email: shares@sudarshan.com

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. General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022 and 11/2022 dated 28th December, 2022, General Circular No. 09/2023 dated 25th September, 2023 and General Circular No. 09/2024 dated 19th September, 2024 issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 issued by Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "Circulars"), Secretarial Standard on General Meetings SS-2 issued by the Institute of Company Secretaries of India and any other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), to transact the Special Business as set out hereunder by way of Postal Ballot only through remote e-voting ("e-voting").
3. 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 submitting the required forms along with supporting documents which are available on our website <https://www.sudarshan.com/and> RTA's <https://liiplweb.linkintime.co.in/client-downloads.html> > General
 - 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. In case of any queries/difficulties in registering the email address, Members may write to shares@sudarshan.com
4. 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 **Friday, 25th October, 2024** (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").
5. 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.
6. 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 '132004'.**
7. The voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the Members on **Friday, 25th October, 2024 (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.
8. 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. **Saturday, 30th November, 2024.**
9. A member cannot exercise his vote by proxy on Postal Ballot.
10. The documents referred to in the Explanatory Statement, if any, will be available for inspection at the Company's Registered Office from Friday, 1st November, 2024 to Saturday, 30th November, 2024 between 11.00 a.m. and 1.00 p.m. on any working day of the Company, except Saturday and Sunday.

11. The instructions for e-voting are as under:

How do I vote electronically using NSDL e-Voting system?





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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 132004 then user ID is 132004001***

5. Password details for shareholders other than Individual shareholders 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- 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.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.

3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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 o.karunakaran2004@yahoo.com with a copy marked to evoting@nsdl.co.in and shares@sudarshan.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
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 : 022 - 4886 7000 or send a request to Mr. Sagar Gudhate, Senior Manager, NSDL 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 e mail ids for e-voting for the resolutions set out in this notice:

1. 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
 2. 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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
 3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
 4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
12. **The e-voting period commences from 9.00 a.m. (IST) on Friday, 1st November, 2024 to 5.00 p.m. (IST) on Saturday, 30th November, 2024.**
- During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 25th October, 2024 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.
13. The Board of Directors have 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 / e-voting in a fair and transparent manner.
 14. The Scrutinizer shall, immediately after the conclusion of e-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.

15. The Results declared along with the Scrutinizer's Report shall be declared within the statutory timelines 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.

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

(MANDAR VELANKAR)
GENERAL COUNSEL AND COMPANY SECRETARY
(Membership No. – A14469)

Pune, 31st October, 2024
Sudarshan Chemical Industries Limited
Registered Office and Global Head Office:
7th Floor, Eleven West Panchshil,
Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India
CIN: L24119PN1951PLC008409
Website: www.sudarshan.com
Email: shares@sudarshan.com

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

In conformity with the provisions of section 102 of the Companies Act, 2013, and statement of additional information as required under SEBI Listing Regulations, 2015, 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 No. 1

In order to broad base the Capital Structure and to meet funding requirements of the Company and to enable the Company to issue further shares, it is proposed to increase the Authorised Share Capital of the Company from Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crore Fifty Lakh only) equity shares of Rs. 2/- (Rupee Two only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores Only) equity shares of Rs. 2/- (Rupee Two only).

As a consequence of increase of Authorised Share Capital of the Company, the existing Authorised Share Capital Clause in Memorandum of Association of the Company be altered accordingly. The proposed increase of Authorised Share Capital requires the approval of shareholders in general meeting u/s 13 and 61 of the Companies Act, 2013. The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day during business hours.

None of the Directors or Key Managerial Personnel or their relatives (to the extent of their shareholding in the Company, if any) are in any way concerned with or interested, financially or otherwise in the resolution at Item No. 1 of the accompanying notice. The Board recommend the aforesaid resolution for the approval by the shareholders as an Ordinary Resolution.

Item No. 2

The Company has entered into definitive agreement whereby Sudarshan Europe B.V., Wholly Owned Subsidiary of the Company in Netherlands ("SEBV") shall acquire Global Pigment Business Operations of the Heubach Group for a total consideration of Euro 127.5 Million (Approx. Rs. 1,180 Crores). This proposed acquisition by SEBV is proposed to be funded by way of combination of debt plus equity. The details of the proposed acquisition are as under:

Sr No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Size / Turnover - The Heubach Group has a 200-year history and became the second largest pigment player in the world after acquiring Clariant's Pigments Business Unit in 2022. Heubach Group had over a One Billion Euros in revenue in the years 2021 and 2022, with strong global footprint especially in Europe, Americas, and the Asia Pacific region.</p> <p>The proposed transaction comprises of acquisition by Sudarshan Europe B.V. of</p> <p>(i) assets and business operations of (a) Heubach Colorants Germany GmbH, (b) Heubach GmbH (c) Dr. Hans Heubach GmbH, and (iv) Heubach Group GmbH and participations held by Heubach Holding Switzerland AG, in downstream Group Companies in various countries from insolvency administrator in the aforesaid countries.</p> <p>(ii) 100% shareholding of Heubach Holdings S.a.r.l., a Luxemburg based Heubach Group Company having investments in shareholding in companies based in India and USA.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	The acquisition does not fall within related party transactions. The promoter/promoter group have no interest in the investee companies / Group of Companies.
3.	Industry to which the entity being acquired belongs;	Heubach is a key player within the Speciality Chemicals Industry which consists of organic pigments, inorganic pigments, dyes, dispersions and anti-corrosion pigments.

4.	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Post-acquisition, the combined entity will have a comprehensive pigment portfolio of high-quality products and a strong presence in major markets including Europe and the Americas. It will enhance Company's product portfolio, giving it deeper access to customers and a diversified asset footprint across production sites globally.										
5.	Brief details of any governmental or regulatory approvals required for the acquisition	Regulatory approvals including approval of The Competition Commission of India and other authorities in other jurisdictions.										
6.	Indicative time period for completion of the acquisition;	The acquisition is expected to close in 3-4 months, subject to the satisfaction of customary closing conditions, including approvals from regulators and Company's Shareholders.										
7.	Consideration - whether cash consideration or share swap or any other form and details of the same;	The acquisition is for a cash consideration of EURO 127.5 Million (approx. Rs. 1,180 Crores)										
8.	Cost of acquisition and/or the price at which the shares are acquired;											
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	The proposed transaction is for 100% investment in Companies of Heubach Group as detailed in Sr. No. 1 above										
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	The Heubach Group has a 200-year history and became the second largest pigment player in the world after acquiring Clariant's BU Pigments in 2022. Heubach had over a billion euros in revenue in the years 2021 and 2022, with strong global footprint especially in Europe, Americas, and the Asia Pacific region. Consolidated turnover of Heubach Group for last 3 years is given below: <div>(in EURO Million)</div> <table><tr><td>Calendar Year</td><td>2023</td><td>2022</td><td>2021</td></tr><tr><td>Turnover</td><td>878.8</td><td>1,069.1</td><td>1,137.7</td></tr></table>			Calendar Year	2023	2022	2021	Turnover	878.8	1,069.1	1,137.7
Calendar Year	2023	2022	2021									
Turnover	878.8	1,069.1	1,137.7									

Based on the authority conferred by the Board of Directors of the Company ("Board") at its meeting held on 16th October, 2024 and as approved by the Fund Raising Committee, in order to fund the proposed acquisition by way of investment in securities / provision of loans to Subsidiary(ies) including future Subsidiary(ies) and other purposes such as repayment of debts, meeting working capital expenditure of the Subsidiary(ies) including future Subsidiary(ies), meeting the expenses for raising of capital and other general corporate purposes, it is hereby proposed to have an enabling approval for raising funds by way of issuance of equity shares of face value Rs.2/- each ("**Equity Shares**"), and / or other securities convertible into Equity Shares (including warrants, or otherwise), (collectively referred to as "**Securities**") or any combination thereof, in one or more tranches, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the BRLM and/or other advisor(s) or otherwise, for an aggregate amount up to **Rs. 900 Crores (Rupees Nine Hundred Crores only)** plus green shoe option upto 25% (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of one or more qualified institutions placement ("**QIP**") in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ("**SEBI ICDR Regulations**"). The issue of Securities may be at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with BRLM and other agencies that may be appointed by the Company, subject to the SEBI ICDR Regulations, Companies Act, 2013 and other applicable guidelines, notifications, rules and regulations.

The Board (including any duly authorized committee) may at their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Company. The proposed issue of capital is subject to, *inter alia*, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time.

The Issue is made through a Qualified Institutions Placement ("QIP") shall be undertaken in terms of the SEBI ICDR Regulations as follows:

1. the allotment of Securities shall only be made to qualified institutional buyers ("QIBs") as defined under SEBI ICDR Regulations;
2. the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the SEBI ICDR Regulations and applicable laws;
3. a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
4. the "relevant date" for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of equity shares as eligible securities; and in case eligible securities are eligible convertible securities, then either the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares as provided under the SEBI ICDR Regulations;
5. the Equity Shares of the same class, which are proposed to be allotted through QIP or pursuant to conversion or exchange of eligible securities offered through QIP, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution;
6. The Company shall be eligible to make a QIP if any of its promoters or directors is not a fugitive economic offender.
7. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations. It is clarified that qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee;
8. the Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;
9. a discount of not more than five percent (5%) or such other percentage as may be permitted under applicable law to the floor price may be provided in terms of the SEBI ICDR Regulations;
10. the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time; and
11. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

Further, Section 62(1)(c) of the Companies Act, 2013 provides, *inter alia*, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing members of such company and to any persons other than the existing members of the company by way of a special resolution. Since the special resolution proposed in the business of the notice may result in the issuance of Equity Shares of the Company to the existing members of the Company and to persons other than existing members of the Company, approval of the members of the Company is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of SEBI ICDR Regulations.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after receipt of prior approval of its members by way of a Special Resolution. Consent of the members would therefore be necessary pursuant to the aforementioned provisions of the Companies Act, 2013 read with applicable provisions of the SEBI ICDR Regulations and the SEBI Listing Regulations, as amended for issuance of Securities. The Equity Shares allotted pursuant to the issue shall rank in all respects *pari passu* with the existing Equity Shares of the Company.

The Equity Shares to be allotted would be listed on the Stock Exchanges. The offer/ issue/ allotment would be subject to the availability of the regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In terms of Section 102(1) of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommend the aforesaid resolution for the approval by the members as a Special Resolution.

Item No. 3

Based on the authority conferred by the Board of Directors of the Company ("Board") at its meeting held on 16th October, 2024, the Fund Raising Committee approved raising of funds not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) by way of issuance of upto 9,80,000 (Nine Lakhs Eighty Thousand) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of Rs. 2/- each ("Warrants") at a price of Rs. 1,019.75 each payable in cash ("Warrants Issue Price"), which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months, to Mr. Rajesh Balkrishna Rath, being a part of the promoter and promoter group of the Company (referred to as the "Proposed Allottee"), by way of a preferential issue through private placement offer (the "Preferential Issue").

The Proposed Allottee has also confirmed his eligibility in terms of Regulation 159 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), to subscribe to the Warrants to be issued pursuant to the Preferential Issue. In accordance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions, if any, of the Act and the rules made thereunder and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, approval of the Members of the Company by way of special resolution is required to issue securities by way of private placement on a preferential basis.

Accordingly, in terms of the Act and the SEBI ICDR Regulations, consent of the members is being sought for the raising of funds not exceeding Rs. 100 Crores by way of issuance of upto 9,80,000 (Nine Lakhs Eighty Thousand) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of Rs. 2/- each at a price of Rs. 1,019.75 each payable in cash, on a preferential basis to the Proposed Allottee as the Board of the Company may determine in the manner detailed hereafter.

The salient features of the Preferential Issue, including disclosures required to be made in accordance with Chapter V of the SEBI ICDR Regulations and the Act, are set out below:

i) Objects of the Issue

The Company has entered into definitive agreement whereby Sudarshan Europe B.V., Wholly Owned Subsidiary of the Company in Netherlands ("SEBV") shall acquire Global Pigment Business Operations of the Heubach Group for a total consideration of Euro 127.5 Million (Approx. Rs. 1,180 Crores). The Company intends to utilize the proceeds raised through the Preferential Issue ("Issue Proceeds") towards part-funding for the acquisition by way of investment in securities / provision of loans to Subsidiary(ies) including future Subsidiary(ies). The details about the acquisition have been disclosed in this Explanatory Statement to Item No. 2 of this Notice.

Given that the Preferential Issue is for convertible Warrants, the Issue Proceeds shall be received by the Company within 18 (eighteen) months from the date of allotment of the Warrants in terms of Chapter V of the SEBI ICDR Regulations, and as estimated by our management, the entire Issue Proceeds would be utilized for the all the aforementioned Objects, in phases, as per the Company's business requirements and availability of Issue Proceeds, within 12 months from the date of receipt of funds for the Warrants (as set out herein).

If the Issue Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to any such factors, the remaining Issue Proceeds shall be utilised in subsequent periods in such manner as may be determined by the Board, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirements and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by the Board, subject to compliance with applicable laws.

ii) Monitoring of utilisation of funds

Since the Preferential Issue size does not exceed Rs. 100 Crores, provisions of Regulation 162A of SEBI ICDR Regulations do not apply. However, the Board shall establish robust mechanism for tracking the utilisation of funds for the objects of the Preferential Issue.

iii) Relevant Date

The "Relevant Date" as per Chapter V of the SEBI ICDR Regulations is **Thursday, 31st October, 2024** i.e. 30 (thirty) days prior to the date on which the resolution will be deemed to have been passed on the last date specified for remote e-voting i.e. Saturday, 30th November, 2024.

iv) Particulars of the Preferential Issue

In terms of the authority conferred by the Board, at its meeting held on 16th October, 2024, the Fund Raising Committee has, subject to the approval of the Members and such other approvals as may be required, approved the issuance of up to 9,80,000 Warrants to the Proposed Allottee, each at a price of Rs. 1,019.75 per Warrant (including a premium of Rs. 1,017.75 per Warrant), not exceeding Rs. 100 Crores, for a cash consideration, by way of a preferential issue on a private placement basis.

v) Kinds of securities offered and the price at which security is being offered, and the total / maximum number of securities to be issued

Upto 9,80,000 Warrants, at a price of Rs. 1,019.75 per Warrant (including a premium of Rs. 1,017.75 per Warrant) not exceeding Rs. 100 Crores, such price being not less than the floor price as on the relevant date (as set out below) determined in accordance with the provisions of Chapter V of the SEBI ICDR Regulations.

vi) Basis or justification for the price (including the premium, if any) has been arrived at

In terms of the SEBI ICDR Regulations, the floor price at which the Warrants can be issued is Rs. 1,019.65 per Warrant, as per the pricing formula prescribed under the SEBI ICDR Regulations for the Preferential Issue and is the highest of the following:

a) 90 (ninety) trading days volume weighted average price (VWAP) of the equity shares of the Company preceding the Relevant Date: i.e. Rs. 1,019.65 per equity share;

b) 10 (ten) trading days volume weighted average price (VWAP) of the equity shares of the Company preceding the Relevant Date: i.e. Rs. 993.55 per equity share.

c) Floor price determined in accordance with the provisions of the articles of association of the Company. However, the articles of association of the Company does not provide for any method of determination for valuation of shares which results in floor price higher than determined price pursuant to SEBI ICDR Regulations.

Since the Proposed Preferential Issue is not expected to result in a change in control or allotment of more than 5% (five per cent) of the post issue fully diluted share capital of the Company, the Company is not required to obtain a valuation report from an independent registered valuer and consider the same for determining the price.

Further, given that the equity shares of the Company have been listed for a period of more than 90 (ninety) trading days prior to the relevant date, the Company is not required to re-compute the issue price as per Regulation 164(3) the SEBI ICDR Regulations, and therefore, the Company is not required to submit the undertakings specified under Regulations 163(1)(g) and 163(1)(h) of the SEBI ICDR Regulations.

If the Company is required to re-compute the price then it shall undertake such re-computation and if the amount payable on account of the re-computation of price is not paid by the Proposed Allottee within the time stipulated in the SEBI ICDR Regulations, the Warrants proposed to be issued pursuant to this resolution would have been continued to be locked in till the time such amount would have paid by the Proposed Allottee.

vii) Amount which the company intends to raise by way of such securities

Not exceeding Rs. 100 Crores

viii) The class or classes of persons to whom the allotment is proposed to be made

The Preferential Issue of Warrants is proposed to be made to the Proposed Allottee, who is a member of the promoter and promoter group of the Company.

ix) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as the price

The Company has not made any preferential allotment during the current financial year 2024-25.

x) Maximum number of securities to be issued

The resolution set out in the accompanying notice authorises the Board to raise funds not exceeding Rs. 100 Crores by way of issuance of upto 9,80,000 (Nine Lakhs Eighty Thousand) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of Rs. 2/- each at a price of Rs. 1,019.75 each payable in cash.

Minimum amount of Rs. 254.94 (Rupees Two Hundred Fifty Four and Ninety Four Paise Only), which is equivalent to 25% (twenty five percent) of the Warrants Issue Price shall be paid at the time of subscription and allotment of each Warrant. The warrant holder will be required to make further payments of Rs. 764.81 (Rupees Seven Hundred Sixty Four and Eighty One Paise Only) for each Warrant, which is equivalent to 75% (seventy five percent) of the Warrants Issue Price at the time of exercise of the right attached to Warrant(s) to subscribe to equity share(s).

xi) Intent of the promoters, directors or key managerial personnel of the Company to subscribe to the offer

The Proposed Allottee is the member of the promoter and promoter group of the Company. The Company has received a letter from the Proposed Allottee, informing the Company of his intention to invest and aggregate amount up to an amount of Rs. 100 Crores in the Company. Apart from the Proposed Allottee, none of the promoters, members of the promoter group, directors or key managerial personnel of the Company intend to subscribe to the offer.

xii) Shareholding pattern of the Company before and after the Preferential Issue

Sr. No.	Category of Shareholder(s)	Pre Issue (as on 25 th October, 2024)		Post Issue*	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A	Promoter and Promoter Group				
1	Indian				
a)	Individuals / Hindu Undivided Family	1,94,78,853	28.14	2,04,58,853	29.14
b)	Trusts	12,08,250	1.74	12,08,250	1.72
c)	Bodies Corporate	4,62,550	0.67	4,62,550	0.66
	Sub-Total (A)(1)	2,11,49,653	30.55	2,21,29,653	31.52
2	Foreign	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	Total Promoter and Promoter Group Shareholding (A)	2,11,49,653	30.55	2,21,29,653	31.52
B	Non-Promoters				
1	Institutions				
a)	Mutual Funds	1,24,84,096	18.03	1,24,84,096	17.78
b)	Alternate Investment Funds	53,689	0.08	53,689	0.08
c)	Banks	3,460	0.01	3,460	0.01
d)	Insurance Companies	2,17,787	0.31	2,17,787	0.30
e)	NBFCs registered with RBI	2,700	0.01	2,700	0.01
f)	Foreign Portfolio Investors	56,71,363	8.19	56,71,363	8.08
g)	Foreign Institutional Investors	4,000	0.01	4,000	0.01
	Sub-Total (B)(1)	1,84,37,095	26.64	1,84,37,095	26.27
2	Central Government / State Government(s)	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-
3	Non-Institutions				
a)	Directors and their relatives (excluding Independent and Nominee Directors)	4,001	0.01	4,001	0.01
b)	Key Managerial Personnel	2	0.00	2	0.00
c)	Investor Education and Protection Fund (IEPF)	2,21,566	0.32	2,21,566	0.31
d)	Individuals	2,46,42,974	35.60	2,46,42,974	35.10
e)	Non-Resident Indians (NRIs)	3,89,740	0.56	3,89,740	0.56
f)	Bodies Corporate	26,68,136	3.85	26,68,136	3.80
g)	Any other, specify:				
	Trusts	250	0.00	250	0.00
	Limited Liability Partnership(s)	60,872	0.08	60,872	0.08
	Hindu Undivided Family	11,24,676	1.62	11,24,676	1.60
	Clearing Members	145	0.00	145	0.00
	Unclaimed or Suspense or Escrow Account	5,28,140	0.77	5,28,140	0.75
	Sub-Total (B)(3)	2,96,40,502	42.81	2,96,40,502	42.21
	Total Public Shareholding (B)	4,80,77,597	69.45	4,80,77,597	68.48
	Total (A)+(B)	6,92,27,250	100.00	7,02,07,250	100.00
C	Shares held by custodians for ADR and GDR	-	-	-	-
	Total (A)+(B)+(C)	6,92,27,250	100.00	7,02,07,250	100.00

* The post preferential percentage of shareholding has been calculated assuming that all the Warrants allotted will be converted into equity shares

xiii) Time frame within which the Proposed Preferential Issue shall be completed

In accordance with Regulation 170 of the SEBI ICDR Regulations, the allotment of the Warrants shall be completed within a period of 15 (fifteen) days from the date of passing of the resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval(s) or permission(s) from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 (fifteen) days from the date of such approval(s) or permission(s).

xiv) Principal terms of assets charged as securities

Not applicable.

xv) Material terms of raising such securities

The material terms for the Preferential Issue of Warrants to the Proposed Allottees is set out below:

A. Tenure:

The Warrants shall be convertible into equity shares within a period of 18 (eighteen) months from the date of allotment of the Warrants.

B. Conversion and other related matters:

(i) The Warrant holder shall have the right to convert the Warrants into fully paid-up equity shares of the Company of face value of Rs. 2/- (Indian Rupees Two only) each, in one or more tranches, by delivering a notice of conversion ("**Conversion Notice**") to the Company requesting the conversion of the relevant number of Warrants into equity shares, on the date designated as the specified conversion date in the Conversion Notice ("**Conversion Date**").

(ii) The conversion ratio is 1 (one) equity share in lieu of 1 (one) Warrant.

(iii) Prior to the Conversion Date, the Warrant holder shall pay the Warrant exercise amount for the relevant Warrants it proposes to convert, and the Company shall, upon receipt of such payment in the designated bank account, on the Conversion Date, in accordance with applicable law to issue and allot equity shares (free and clear of all encumbrances other than any lock-in prescribed under applicable law) to the Warrant holder in lieu of the relevant Warrants.

(iv) The Company shall file the certificate from its statutory auditor with the Stock Exchanges, confirming that the Company has received the Warrant exercise amount in compliance with Regulation 169(4) of the SEBI ICDR Regulations from the Warrant holder and the relevant documents thereof are maintained by the Company as on the date of certification.

(v) The Company shall issue and allot the equity shares to the Warrant holder in dematerialized form and seek final approval from the Stock Exchanges for listing the equity shares allotted to the Warrant holder pursuant to conversion of the Warrants. All equity shares (upon conversion of the Warrants) shall be credited into the Warrant holder's demat account within 7 (seven) business days from the Conversion Date.

(vi) The Warrant holder shall make the relevant disclosures required under applicable law, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, in relation to the Preferential Issue and conversion of the Warrants.

(vii) The procedure for conversion of warrants into equity shares set out above shall be applicable for conversion of each Warrant into equity shares, irrespective of the number of tranches in which the Warrant holder issues a Conversion Notice in accordance with Paragraph B(i) above.

C. Lock-in:

The Warrants and the equity shares issued upon conversion of the Warrants shall be locked in, in accordance with Chapter V of the SEBI ICDR Regulations.

D. Rights:

The Warrants shall not carry any voting rights until they are converted into equity shares.

xvi) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the Proposed Allottees

Mr. Rajesh Balkrishna Rathi is the ultimate beneficial owner.

xvii) The percentage of the post-preferential issue capital that may be held by the Proposed Allottees (as defined hereinabove) and change in control, if any, in the Company consequent to the Preferential Issue:

Category	Pre Issue % Shareholding	Number of Equity Shares proposed to be allotted or to be allotted post conversion of Warrants into Equity	Post Issue % Holding*
The Proposed Allottee is a member of the Promoter and Promoter Group of the Company	40,50,359 (5.85%)	Upto 9,80,000 equity shares, at a conversion ratio 1:1	50,30,359 (7.17%)

* The post preferential percentage of shareholding has been calculated assuming that all the Warrants allotted will be converted into equity shares of the Company.

** The Proposed Allottee is a part of the promoter and promoter group of the Company. The pre-allotment shareholding held by the promoter and promoter group in the Company is 30.55%, which will increase to 31.52% pursuant to the conversion of all the Warrants allotted into equity shares of the Company by the warrant holders. Please refer to the "**Shareholding pattern of the Company before and after the Preferential Issue**" above for further reference.

There will be no change in the composition of the Board nor any change in the control of the Company consequent to the Proposed Preferential Issue.

xviii) Contribution being made by the promoters or directors either as part of the Preferential Issue or separately in furtherance of objects

Not exceeding Rs. 100 Crores

xix) Undertaking:

The Company hereby undertakes that:

a) None of the Company, its Directors or Promoters have been declared as wilful defaulter or fraudulent borrower as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations;

b) The Company is eligible to make the Preferential Issue to the Proposed Allottees under Chapter V of the SEBI ICDR Regulations;

c) As the Equity Shares have been listed for a period of more than ninety days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable;

d) The Company shall re-compute the price of the equity shares to be allotted under the Preferential Issue, in terms of the provisions of SEBI ICDR Regulations where it is required to do so;

e) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the equity shares to be allotted under the Preferential Issue shall continue to be locked-in till the time such amount is paid by the warrant holder.

xx) Current and proposed status of the Proposed Allottees post the Preferential Issue viz. promoter or non-promoter

As mentioned above, the Proposed Allottee is a member of the Promoter and Promoter Group of the Company and such status will continue to remain the same post the Preferential Issue.

xxi) Valuation and Justification for the allotment proposed to be made for consideration other than cash

Not applicable

xxii) Lock-in period

The Warrants allotted pursuant to this resolution and the resultant equity shares to be issued and allotted upon exercise of right attached to the Warrants as above shall be subject to a lock-in for such period as per the provisions of Chapter V of the SEBI ICDR Regulations.

xxiii) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter

Member of the Promoter and Promoter Group

xxiv) Practicing Company Secretary's Certificate

The certificate from J. B. Bhavé & Co., Practicing Company Secretary, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations will be made available on the Company's website and will be accessible at link: www.sudarshan.com

xxv) Other disclosures

a) During the period from 1st April, 2024 until the date of Notice of this Postal Ballot, the Company has not made any Preferential Issue of equity shares.

b) The Company is in compliance with the conditions for continuous listing and is eligible to make the Preferential Issue under Chapter V of the SEBI ICDR Regulations.

c) Neither the Company nor any of its Directors or Promoters are categorized as wilful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulter(s) issued by the Reserve Bank of India. Further, neither the Company nor any of its Directors or Promoters is a fraudulent borrower as defined under the SEBI ICDR Regulations. Consequently, the disclosures required under Regulation 163(1)(i) of the SEBI ICDR Regulations are not applicable.

d) Neither the Company nor any of its Directors and / or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.

e) Since the equity shares of the Company are listed on the Stock Exchanges and the Preferential Issue is not more than 5% (five percent) of the post issue fully diluted share capital of the Company, a valuation report from an independent registered valuer is not required under the provisions of the second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the Preferential Issue, and under the applicable provisions of SEBI ICDR Regulations.

f) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer is not applicable as the allotment of equity shares under the Preferential Issue is for a cash consideration.

g) The Proposed Allottee has confirmed that he has not sold or transferred any equity shares of the Company during the 90 trading days preceding the Relevant Date. The Proposed Allottee has further confirmed that he is eligible under SEBI ICDR Regulations to undertake the Preferential Issue. None of the Directors, Key Managerial Personnel or their relatives except Mr. Rajesh Balkrishna Rathi and his relatives are in any way financially or otherwise concerned or interested in the passing of this Special Resolution as set out at Item No. 3 of this notice.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of SEBI ICDR Regulations, approval of the Members for issue and allotment of the said warrants to the Proposed Allottee is being sought by way of a special resolution as set out in the said Item No. 3 of the Notice. Issue of the equity shares pursuant to the exercise of the rights attached to warrants would be within the authorised share capital of the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company as a Special Resolution.

Documents referred to in the notice/ explanatory statement will be available for inspection by the Members of the Company as per the applicable legal provisions.

Item No. 4

The Company has entered into definitive agreement whereby Sudarshan Europe B.V., Wholly Owned Subsidiary of the Company in Netherlands ("SEBV") shall acquire Global Pigment Business Operations of the Heubach Group for a total consideration of Euro 127.5 Million (Approx. Rs. 1,180 Crores). This proposed acquisition by SEBV is proposed to be funded by way of combination of debt plus equity. The details of the proposed acquisition have been disclosed in this explanatory statement at Item No. 2 above.

The shareholders may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of shareholders by special resolution passed at the general meeting.

As a part of funding arrangements for the proposed acquisition, the Company would need to provide loans and/ or make investment in securities of the Subsidiary Company/(ies) including future Subsidiary(ies) and/or provide security in connection with the loans provided to the Subsidiary Company(ies) including future Subsidiary(ies) of the Company and hence the aggregate of loans, investments and guarantees would exceed the limits prescribed under Section 186 of the Companies Act, 2013 and rules made thereunder.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Act by way of special resolution, to an amount which is Rs. 2,300 Crores over and above the limits available to the Company under Section 186 and other applicable provisions of the Act. The said limit has been proposed considering the proposed loans / investment / security on account of the proposed acquisition as explained above.

None of the Directors or Key Managerial Personnel or their relatives (to the extent of their shareholding in the Company, if any) are in any way concerned with or interested, financially or otherwise in the resolution at Item No. 4 of the accompanying notice. The Board recommend the aforesaid resolution for the approval by the shareholders as a Special Resolution.

Item No. 5 and 6

Keeping in view the Company's existing and future financial requirements on account of its plan for proposed acquisition and to support business operations post completion of acquisition, the Company would need additional funds. For this purpose, the Company may raise finance via debentures/bonds/commercial papers or such other form or by way of loan and other facilities from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals, as may be considered fit.

As per the provisions of Section 180(1)(c) of the Act and its rules thereunder, the Board of Directors of a Company shall not, except with the consent of shareholders by special resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital, its free reserves and securities premium account. In order to provide sufficient limit for borrowings, it is proposed to increase the borrowing limits (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) to the higher of (i) sum of Rs. 3,000 Crores (Rupees Three Thousand Crores only) or (ii) aggregate of the paid-up share capital of the Company, its free reserves and securities premium account. Pursuant to the Shareholders' resolution dated 6th August, 2020, the current borrowing limits of the Company are Rs. 1,200 Crores.

The borrowings of the Company in general may be required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of its authorised Committee of the Company from time to time, in consultation with the lender(s). It is therefore, necessary to secure the approval of shareholders under Section 180(1)(a) and 180(1)(c) of the Act to enable the Board of Directors to borrow money upto (i) Rs. 3,000 Crores (Rupees Three Thousand Crores Only) or (ii) aggregate of the paid up share capital of the Company, its free reserves and securities premium account, whichever is higher and authorise the Board to secure the same by mortgage / charge/ hypothecation on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, as the case may be.

None of the Directors or Key Managerial Personnel or their relatives (to the extent of their shareholding in the Company, if any) are in any way concerned with or interested, financially or otherwise in the resolutions at Item no. 5 and 6 of the accompanying notice. The Board recommend the aforesaid resolutions for the approval by the shareholders as Special Resolution.

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

(MANDAR VELANKAR)
GENERAL COUNSEL AND COMPANY SECRETARY
(Membership No. – A14469)

Pune, 31st October, 2024
Sudarshan Chemical Industries Limited
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CIN: L24119PN1951PLC008409
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