

24th September, 2013

Listing Department
National Stock Exchange Of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sir,

Sub.: Clause 31(d) of the Listing Agreement.

Please find enclosed the proceedings of the 62nd Annual General Meeting of the Company held on Friday, 20th September, 2013 at Pune.

Kindly take the above information on record.

Thank you.

Yours truly,

For Sudarshan Chemical Industries Limited



P.S.Raghavan
Company Secretary

Encl : As above.

Sudarshan Chemical Industries Limited

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SUDARSHAN CHEMICAL INDUSTRIES LIMITED

REGD.OFFICE: 162 WELLESLEY ROAD, PUNE – 411 001

**PROCEEDINGS OF THE 62ND ANNUAL GENERAL MEETING OF THE
COMPANY HELD ON FRIDAY, 20TH SEPTEMBER, 2013.**

The 62nd Annual General Meeting of the members of the Company was held on Friday, 20th September, 2013 at 11.30 A.M. at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune – 411 002.

Following Directors / Members were present at the meeting:

1. Mr. K.L.Rathi, Chairman / Member
2. Mr. B. S. Mehta, Director
3. Mr. S. N. Inamdar, Director / Member
4. Mr. S. Padmanabhan, Director
5. Mr. D.N. Damania, Director
6. Mr. P. R. Rathi, Vice Chairman and Managing Director / Member
7. Mr. N. J. Rathi, Director / Member
8. Mr. R.B. Rathi, Director / Member

In addition 66 Shareholders attended the meeting .

The Chairman ascertained the quorum and commenced the proceedings of the meeting at 11.30 A.M. The Chairman introduced the Directors and the Company Secretary to the shareholders.

The Chairman announced that the Company has received 27 Proxy Forms for 42,19,001 equity shares of Rs.10/- each i.e. 60.94% of the total 6.92 million Equity Shares.

The Chairman further announced that the Register of Directors' Shareholding under Section 307(7) of the Companies Act, 1956 and the Auditors' Report under Section 230 of the Companies Act, 1956 have been kept open for inspection.



NOTICE OF THE MEETING

Some of the members proposed that the Notice be taken as read. All the members present agreed to this suggestion. Copies of the Chairman's speech was distributed to the Members present at the meeting.

Thereafter, Mr. K.L.Rathi, Chairman read the Chairman's speech as under:

Dear Shareholders,

I am happy to welcome you all to the Company's 62nd Annual General Meeting. I also welcome my colleagues on the Board of the Company. On this occasion, I would like to convey my gratitude and sincere thanks to all our valued stakeholders for the continued faith and support extended to the Company throughout these years. Before I share my thoughts on the performance of the Company vis- a-vis the state of the Indian economy, I would like to share with you that Dr. N.A. Kalyani, Industrialist and former Director on Board of the Company passed away recently. Dr. Kalyani had a long association as a Director of the Company. I would request you all to stand and maintain two minutes silence as a mark of respect to the departed soul.

Business Environment:

I will now proceed to share my thoughts on the Company and the economy. The Financial Year 2012 -13 was a challenging year for Indian industry. GDP for the year 2012-13 stood at 5% against 6.5% for the previous year pointing to a decline in growth. Indian Economy continues to be affected over delay in implementation of key policy issues. The fiscal deficit and the current account deficit have also remained high and this has been cause for concern.

As far as global economy is concerned, there are definitely some signs of economic recovery with the US economy showing signs of growth. However, the Europe Union is yet to come back on track with the GDP still in the negative zone. But, it is time to also recognize the fact that the external climate will continue to be uncertain. So, it will be left to each organization to respond to these challenges and formulate and implement an action plan to sustain growth in the long term.

Review of financial performance – 2012-13 :

Gross Revenue for the year ended 31st March 2013 amounted to Rs. 7967 million as against Rs. 7522 million achieved during the previous year. Profit After Tax for the year ended 31st March 2013 was Rs. 211 million as against Rs. 361 million earned during the previous year. Profitability for the year under review was mainly under pressure due to higher interests costs on account of major capital expenditure undertaken in the last two years or so.

Pigment sales grew from Rs. 6647 million in the previous year to Rs. 6966 million in the year under review. Profits for the Pigment Division for the year under review amounted to Rs. 772 million as compared to Rs. 869 million for the previous year.



Agro sales for the year ended 31st March 2013 amounted to Rs. 885 million as against Rs. 795 million achieved during the previous year. Profits for the Agro Division for the year under review amounted to Rs. 45 million as compared to Rs. 35 million for the previous year .

Revenue from exports for the year ended 31st March 2013 amounted to Rs. 3015 million as against Rs.2746 million for the previous year. In spite of recessionary conditions existing in the American and European markets, the Company could record growth by increasing exports in these as well as other markets. The results of the Company viewed in the background of difficult operating conditions are nevertheless considered satisfactory.

Dividend:

Members are aware that overall business sentiment during the year under review remained extremely challenging owing to which the financials of the Company were affected. However, your Directors are of the view that the results for the year under Report represent only a temporary setback and would eventually reflect the beneficial effect of the substantial capital expenditure undertaken by the Company till now and having regard thereto, recommend maintaining the rate of dividend @ 125% (Rs.12.50 per share on a face value of Rs.10/-) subject to approval of the members. The total outgo on account of dividend @ 125% and dividend distribution tax @ 16.99 % will be Rs. 101 million for the year under review.

Global Strategy:

The Company's subsidiaries in Netherlands and North America continue to make aggressive efforts to tap new markets and key customers by offering high performance pigment products and among others, customized products at competitive prices. This has started paying rich dividends as exports have picked up in Europe. The China Representative Office has been reorganized keeping in mind the latest market requirements and customer preferences in the Asia Pacific Region.

The acquisition of the natural mica based pearlescent business for cosmetics sold under the brand " Prestige " and " Flonac C " from Eckart, GmbH and its Affiliates has been well integrated in the Cosmetic Pigment Products Portfolio and will add value to the Exports.

Sudarshan's Indian Subsidiary Prescient Color Limited continues to record growth in Sales and Profitability performance.

Research and Development:

Sudarshan has its own upgraded in-house Research and Development (R & D) Centre at Roha, Dist. Raigad and Ambadvet, Dist.Pune, with adequate technicians, recognized by the Department of Scientific and Industrial Research (DSIR), Government of India (GOI). All laboratories are ISO 17025: 2001 certified by NABL (National Accreditation Board for Testing and Calibration laboratories), Government of India.



Sudarshan is well aware of the current market needs and is well equipped with advanced analytical instruments and a Pilot Plant capable to meet customer requirements and develop cutting edge products to become a dominant player in the Global Colorant solutions provider Industry.

Over the years, the in-house R & D team has developed an impressive range of products, plenty of manufacturing and process improvements to minimize the energy & utility consumption by use of indigenous technologies. Sudarshan continues to focus on product innovation, process simplification, import substitution, cost reduction and enhanced quality control.

Sudarshan has spent approximately Rs.128 million in the year under review to further strengthen the R & D facilities which would contribute to cost reduction and launch of new pigment products.

Environment, Health and Safety (EHS):

Sudarshan is committed to conduct various social and environmental activities for a safe and healthy workplace for each employee. Sudarshan has earned various recognitions and accreditations that show the Company's consistent commitment towards maintaining and improving EHS standards. Such honorable recognitions further reinforce the need for collective effort among the Sudarshan's employees, to sustain and attain benchmarked standards designed under the EHS policy.

Sudarshan's Environment, Health & Safety (EHS) policy is designed to ensure that high standards are achieved at all sites and recommends different ways to maintain and promote constant improvement. EHS compliance audits are an integral part of the EHS management system and provide continuous scope for improvement. A well defined three-year EHS Improvement Plan is maintained by the EHS Leadership Team in consultation with senior business leaders. Annually, the EHS Improvement Plan and business goals are reviewed and updated in order to achieve continuous improvement.

I am pleased to inform you that both our Roha and Mahad sites have been conferred the British 5 Star award for Health & Safety Management Audit.

Human Resource Development:

Towards building a " Soaring Global Organization " and driving the People Management Mission of " Creating exciting and vibrant performance driven work culture " Sudarshan believes that people are its core assets. We are delighted to share with you that in pursuit of this mission people initiative "Fun@work" achieved industry best practices accolades and won an award at the World HRD Congress 2013. " Appreciative Conversations " which is Performance Management System at Sudarshan continues to drive meritocracy and performance focus and is supporting employees towards their career development. HR policies have been strengthened with best in class benchmarking and relevant changes. Sudarshan continues to Inspire and nurture talent, enhance skills to groom future leaders through structured coaching, training and development. Sudarshan is committed towards employee growth by providing regular feedback for career and overall development opportunities.



Corporate Sustainability:

Sudarshan in its activities always strive to achieve a balance between economy , ecology and society with the objective to make the neighbourhood and the community a better place to live. The Company therefore keeps this in mind while formulating and implementing social projects which are relevant to the country's development in all three dimensions , even though in a small way. Sudarshan has taken several projects for sustainable development under Corporate Social Responsibility (CSR) in respect of certain identified villages around its manufacturing locations. The Company has undertaken tree plantation, waste management (vermiculture), self-employment development, emergency preparedness & response plan & environment control initiatives.

I take pride in informing you that SUDHA , a movement started by the Company to involve its people and the community around to create better living standards has made good impact demonstrating the Company's firm resolve to align community development initiatives while meeting aspirations of other stakeholders . Under the auspices of SUDHA , Company's pet social projects – JAGRUTI aimed at making aware of the importance of health , hygiene, nutrition and societal balance for creating a better life, PHULORA aimed at blossoming of lives by encouraging use of organic food items through organic farming , JEEVIKA aimed at empowering under privileged ladies by giving them sustainable livelihood sources and UDAAN aimed at improving lives of children today for a better of tomorrow have all taken off successfully.

Rewards and Recognitions:

Over the last year , Company has received several prestigious awards and recognitions. I am pleased to share with you, the recognitions / awards received by Sudarshan during the year under review viz.

1. Roha unit has been awarded in 2012 by National Safety Council – Maharashtra Chapter for achieving –
 - (a) Longest Accident Free period in 2011
 - (b) Lowest Accident Frequency Rate in 2011
2. 5 Star award – Sword of Honour from the British Safety Council for health & Safety Management Audit for both Roha and Mahad plants.
3. Business Leader of the Year award for Environment, Leadership & Excellence in 2013 by CHEMTECH.
4. SAP ACE Award for Customer Excellence, 2012 in the category of "Best Run Award in Supply Chain in the Indian Subcontinent.
5. EDGE Award for Roha plant (Enterprise Driving Growth and Excellence Through IT - SAP-WMS (Warehouse Management System)).
6. The Dyestuffs Manufacturers' Association of India (DMAI) award for the Financial Year 2011-12 for:



- Excellent performance in Pollution Control.
- Excellent performance in Safety & Hazards Control
- Excellent performance in respect of Export of Pigments of a Large Scale unit.

This is testimony to the steadfast commitment of the Company to achieve operational excellence .

Current year performance and Outlook:

The year 2013-14 is expected to be another challenging year in the background of a difficult economic situation. As exports account for a sizeable share in Company's revenues, opportunities for us may arise from stronger growth in the global economy and our customer industries. A stronger U.S. dollar and Euro would also have positive effects on our earnings. The Company aims to further improve operational excellence, as well as strengthening its research and development. We will continue to concentrate on expanding our business in growth markets as well as on innovations, portfolio optimization and increasing efficiency. The Company's overseas subsidiaries are also fully geared up and are expected to play a key role in achieving organizational objectives.

But there are also risks to the development of business. Growth would be impaired if the domestic situation worsens or by an intensification of the debt crisis in the Euro Zone and the United States, as well as by lower demand in Asia. Increase in raw material costs could also be detrimental to our margins.

As per Unaudited Financial Results, sales for the first quarter i.e. April – June, 2013 were about Rs.2455 Million as compared to the sales of the first quarter of the previous year April – June, 2012 which were Rs.1999 Million, thereby recording an impressive growth of 23%. The Profit After Tax for the quarter under review stood at Rs. 109 Million as compared to Rs.110 Million achieved during the same quarter in the previous Financial Year. However, provisional figures are not indicative of the current Financial Year's performance.

Barring any unforeseen circumstances, the current year's prospects look to be good.

Acknowledgements:

Before I conclude, I express my sincere thanks to Company's Bankers, Customers , Suppliers and other stakeholders for their continued support and co-operation. My special thanks and appreciation to the employees of the Company at all levels for their hard work, dedication and continued commitment . I am grateful to my colleagues on the Board for their ready advice and guidance.

I am grateful to Dr. Das for his continued guidance and mentoring, Pragati Leadership, for their efforts in building leadership competencies and BMGI for guiding us in the journey of excellence towards fortifying our Company's position as a top global player in the Colorant Solutions Industry.



I also take this opportunity to thank all the shareholders for having shown their continued confidence in the Company and to those present over here for sparing their valuable time in joining today's meeting.

Thank you.

After the Chairman's Speech was read out, the Chairman requested Mr. P.S. Raghavan, Company Secretary to read out the Independent Auditors' Report for the year ended 31st March 2013. Thereafter, Mr. P.S. Raghavan, Company Secretary read the Independent Auditors Report for the year ended 31st March, 2013. (Annexure to the Auditors' Report was taken as read as suggested by some of the members and agreed to by all the members present.)

After the above, following business was transacted:

- 1. To consider and adopt the Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.**

The Chairman moved the following resolution as an Ordinary Resolution:

RESOLVED THAT the audited Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon be and are hereby received and adopted.

Before the resolution was put to vote, the Chairman invited comments from the members relating to audited accounts of the Company for the period under review.

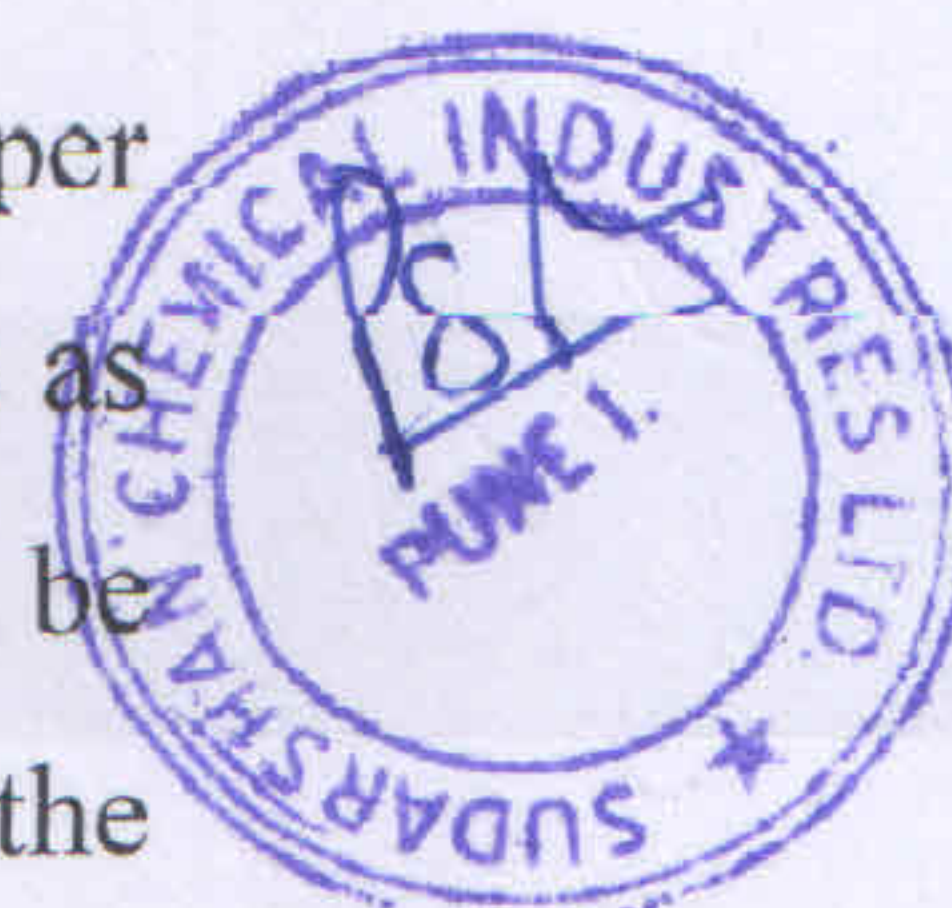
Thereafter, some shareholders raised queries on the audited accounts of the Company, which were satisfactorily replied by the Chairman.

The Chairman then put the resolution to vote and on show of hands declared the same as passed unanimously.

- 2. To declare dividend on the Equity Shares of the Company for the year ended 31st March, 2013.**

Mr. N.J. Rathi, Member moved the following resolution as an Ordinary Resolution.

RESOLVED THAT dividend for the year ended on 31st March, 2013 of Rs. 12.50 per equity share on face value of Rs. 10/- (125%) on 69,22,725 fully paid Equity Shares as recommended by the Board of Directors, be and is hereby declared and the same be payable to those shareholders holding the said shares whose names appear in the



Register of Members as well as beneficial owners whose name appear in the records of Depositories as on 20th day of September, 2013.

Mr. Ranjit C. Khunte, Member seconded the resolution.

The Chairman then put the resolution to vote and on show of hands declared the same as passed unanimously.

3. To appoint a director in place of Mr. S.N.Inamdar, who retires by rotation and being eligible, offers himself for reappointment.

Mr. S.G.Marathe, Member moved the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. S.N.Inamdar, Director who retires by rotation, but being eligible, offers himself for reappointment under Article 98 of Articles of Association of the Company, be and is hereby reappointed as a Director of the Company.

Mr. Bhavesh C. Halpati, Member seconded the resolution.

The Chairman then put the resolution to vote and on show of hands declared the same as passed unanimously.

4. To appoint a Director in place of Mr. S.Padmanabhan, who retires by rotation and being eligible, offers himself for reappointment.

Mr. S.G.Marathe, Member moved the following resolution as an Ordinary Resolution :

RESOLVED THAT Mr.S.Padmanabhan, Director who retires by rotation, but being eligible, offers himself for reappointment under Article 98 of Articles of Association of the Company, be and is hereby reappointed as a Director of the Company.

Mr. R.C.Khunte, Member seconded the resolution.

The Chairman then put the resolution to vote and on show of hands declared the same as passed unanimously.

5. To appoint Auditors and to fix their remuneration:

Mr. P.R.Rathi, Member moved the following resolution as an Ordinary Resolution.

RESOLVED THAT B.K.Khare & Co., Chartered Accountants, Mumbai be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of the 62nd Annual General Meeting until the conclusion of the 63rd Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors.

FURTHER RESOLVED THAT the traveling and out of pocket expenses be reimbursed to them.

Mr. P.J.Bapat , Member seconded the resolution.

The Chairman then put the resolution to vote and on show of hands declared the same as



The Chairman then thanked the Members for attending the meeting and declared the meeting as over.

