

Smruthi Organics Limited

CIN: L24119PN1989PLC052562

Regd. Office: 165 A BALAJI BHAVANRAILWAY LINES SOLAPUR - 413001, MAHARASHTRA.

Tel: 0217-2310267, Fax: 0217-2310268

Website: www.smruthiorganics.com; E-mail:cs@smruthiorganics.com

POSTAL BALLOT NOTICE

[Notice Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Management and Administration) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to all other applicable laws and regulations, the resolutions appended below are proposed to be passed by the Shareholders through postal ballot/ electronic voting (“remote e-voting”). The explanatory statement pertaining to the proposed resolutions setting out the material facts concerning each resolution and the reasons thereof is annexed hereto along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company (‘the Board’), at its meeting held on Saturday, January 16, 2021, considered and approved the following resolutions, subject to the members’ approval through postal ballot:

1. Reclassification of un issued Non-Convertible Cumulative Redeemable Preference Shares into Equity Shares
2. Increase in the Authorised Share Capital
3. Amendment in Memorandum of Association
4. Amendment in Articles of Association
5. Issue of Bonus Shares by capitalization of reserves.

The Board has appointed Mr. H. R. Thakur, (FCS: 2090; CP: 3193) Practicing Company Secretaries (“the Scrutinizer”) for conducting the postal ballot and remote e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and record their assent (for) or dissent (against) in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope not later than 17:00 hours IST on Wednesday, March 3, 2021. Postage expenses will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Shareholder(s), will also be accepted. Postal Ballot Form(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that Postal Ballot forms received after 17:00 hours IST on Wednesday, March 3, 2021 shall be deemed invalid.

The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of scrutiny of Postal Ballots (including remote e-voting). The result of the Postal Ballot shall be declared on or before Friday, March 5, 2021 and communicated to the Stock Exchanges, Registrar and Share Transfer Agents and shall also be displayed on the website of the Company i.e. www.smruthiorganics.com.

Members desiring to opt for remote e-voting as per the facilities provided by the Company are requested to read the instructions carefully before participating in remote e-voting. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

RESOLUTIONS:

Item No. 1 – To approve Reclassification of Authorised Share Capital of the Company

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to Section 61, 64 and other applicable provisions if any of the Companies Act, 2013 as amended from time to time and as may be applicable, including any statutory modifications or re-enactment thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of the Articles of Association of the Company, consent of the members of the company be and is hereby accorded to re-classify un issued 50,00,000 (Fifty Lakhs) Non-Convertible Cumulative Redeemable Preference Shares of Rs. 10 (Rupees Ten Only) each as comprised in the Clause V of the present Memorandum of Association into 50,00,000 (Fifty Lakhs) Equity Shares of Rs 10 (Rupees Ten Only) each.

RESOLVED LASTLY THAT any one of the Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies, Maharashtra, Pune and generally do all such acts, deeds and things as may be necessary for the purpose of implementing this resolution.”

Item No. 2 - To approve the increase in the Authorised Share Capital

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to Section 61 and other applicable provisions if any of the Companies Act, 2013 as amended from time to time and as may be applicable, including any statutory modifications or re-enactment thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10 (Rupees Ten Only) each to Rs 12,00,00,000 (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) equity shares of Rs 10 (Rupees Ten Only) each.

RESOLVED LASTLY THAT any one of the Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies, Maharashtra, Pune and generally do all such acts, deeds and things as may be necessary for the purpose of implementing this resolution.”

Item No 3: To approve amendment in Memorandum of Association

To Consider and if thought fit to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Section 13 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed there under, consequent upon reclassification and increase in Authorised Share Capital of the Company, Clause V of the Memorandum of Association of the Company be and is hereby partially modified as under:-

The sentence commencing from “The Authorized Share Capital of the Company is” ... and ending with “of Rs. 10/- (Rupees Ten Only) each” be and is hereby substituted by the following new sentence.

“The Authorized Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 Equity Shares (One Crore Twenty Lakhs Equity Shares) of Rs.10/- (Rupees Ten Only) each.”

“RESOLVED FURTHER THAT except above all other provisions of Clause V of the present Memorandum of Association do remain unchanged”.

RESOLVED LASTLY THAT any one of the Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies, Maharashtra, Pune and generally do all such acts, deeds and things as may be necessary for the purpose of implementing this resolution.”

Item No 4: To approve amendment in Articles of Association

To Consider and if thought fit to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Section 14 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed there under, consequent upon reclassification and increase in Authorised Share Capital of the Company, Article II (1.) of the Articles of Association of the Company be and is hereby partially modified as under: -

The sentence commencing from “The Authorized Share Capital of the Company is” ... and ending with “Preference Shares of Rs. 10/- (Rupees Ten Only) each” be and is hereby substituted by the following new sentence.

“The Authorized Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each.”

“RESOLVED FURTHER THAT except above all other provisions of Article II (1.) of the Articles of Association do remain unchanged”.

RESOLVED LASTLY THAT any one of the Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies, Maharashtra, Pune and generally do all such acts, deeds and things as may be necessary for the purpose of implementing this resolution.”

Item No. 5 - To approve the issue of Bonus Shares by way of capitalisation of reserves.

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Article 39 (3) of Articles of Association of the Company and subject to such approvals, consents, permissions and/or sanctions as may be required from the appropriate authorities, institutions or bodies (hereinafter collectively referred to as the “concerned authorities”), consent of the members of the Company be and is hereby accorded for capitalization of such sum standing to the credit of General Reserve, and/or the Securities Premium account and/or Retained Earnings, or such other account (“Reserves”) as may be considered necessary by Board of Directors of the Company (“the Board”), including any Committee of the Board or person authorised by the Board for distribution among the members of existing fully paid equity shares of Rs. 10/- (Rupees Ten Only) each of the Company, issue of fully paid up bonus shares of Rs.10/- (Rupees Ten only) each in the proportion of 2 (Two) new equity shares for every 1 (One) equity share held by the members of the Company whose names appear in the Register of members maintained by the Company/List of Beneficial Owners of the Depository as on the record date to be determined by the Board;

“RESOLVED FURTHER THAT all such new equity shares as and when issued shall rank *pari passu* and carry the same rights with the existing equity shares of the Company in all respects;

“RESOLVED FURTHER THAT no letter of allotment shall be issued to the allottees of the new equity bonus shares. Share Certificates in respect of the new equity bonus shares shall be issued and dispatched to the allottees thereof holding shares in physical form and the new equity bonus shares shall be credited to the demat account of the allottees holding shares in electronic form within the prescribed period;

“RESOLVED FURTHER THAT the allotment of new equity bonus shares to the extent that they relate to non- resident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 as may be deemed necessary;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, rules, regulations;

RESOLVED LASTLY THAT any one of the Directors of the Company be and is hereby authorized to file necessary forms with Registrar of Companies, Maharashtra, Pune and generally do all such acts, deeds and things as may be necessary for the purpose of implementing this resolution.”

For and on behalf of the Board

Place: Solapur

Date: January 16, 2021

Registered Office:

Smruthi Organics Limited

165 A Balaji Bhavan

Railway Lines Solapur - 413001

CIN: L24119PN1989PLC052562

Tel: 0217-2310267, Fax: 0217-2310268 Website: www.smruthiorganics.com

Sd/-

E. Purushotham

Chairman & Managing Director

DIN: 00033583

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts pertaining to the resolutions is annexed hereto along with the Postal Ballot form for your consideration.
2. The Postal Ballot Notice is being sent to the members whose names appear on the Register of Members / List of Beneficial Owners as received from the Central Depository Services (India) Limited ("CDSL") as on Friday, January 15, 2021. The Postal Ballot Notice is being sent to members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by the permitted mode along with a prepaid Business Reply Envelope.
3. Members whose name appear on the Register of Members/ List of Beneficial Owners as on Friday, January 15, 2021 will only be considered for the purpose of voting.
4. Resolutions passed by the members with requisite majority through postal ballot shall be deemed to have been passed at a General Meeting of the members convened on that behalf.
5. Members can opt for only one mode of voting, i.e., either by physical ballot or remote e-voting. In case members cast their votes through both the modes, voting cast through remote e-voting shall be treated as valid and votes cast through physical Postal Ballot forms will be treated as invalid.
6. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to info@adroitcorporate.com / cs@smruthiorganics.com. The Registrar and Transfer Agent / Company shall forward the same along with prepaid Business Reply Envelope to the member. However, members may also download the Postal Ballot Form from the website of the Company i.e. www.smruthiorganics.com
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on Friday, January 15, 2021. The remote e-voting period commences on Monday, 01st February, 2021 (9:00 AM IST) and ends on Wednesday, 03rd March, 2021 (17:00 hours IST) (both days inclusive)
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the members to exercise their votes electronically and vote on all the resolutions through the remote e-voting facility arranged by CDSL. The instructions for electronic voting are annexed to this Notice.
9. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e. 17:00 hours IST) on Wednesday, March 3, 2021. The postage will be borne by the Company. However, envelopes containing postal ballot, if sent by courier or registered/speed post at the expense of the members will also be accepted. Postal ballot forms received after 17:00 hours IST on Wednesday, March 3, 2021, shall be deemed invalid.
10. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or any other person duly authorized by the Chairman, on or before Friday, March 5, 2021 at the registered office and will also be displayed on the website of the Company i.e. www.smruthiorganics.com besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agents.
11. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till Wednesday, March 3, 2021. The date of declaration of Postal Ballot result shall be construed as the date of passing the resolutions.

Explanatory Statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013 (“the Act”)

Item No. 1 to 5

Equity shares of your Company are currently listed on BSE Limited and Metropolitan Stock Exchange of India Limited. However, due to small capital base, company’s shares are permitted by BSE Ltd for trading under “Periodic Call Auction Session” (PCAS). Therefore, for facilitating ease of trading, increasing liquidity, enhancing shareholder value and encouraging participation of investors, company considers it necessary to enhance its paid-up share capital beyond Rs 10 crores so that its shares get qualified for admission on Main Trading Board of BSE Ltd.

The current Authorised Share Capital of the Company is Rs. 10 crores divided into 50 lakhs equity shares of Rs. 10 each and Rs. 50 lakhs Non-Convertible Cumulative Redeemable Preference Shares of Rs. 10 each.

The Board of Directors (“the Board”) at its meeting held on Saturday, January 16, 2021, considered, approved and recommended (subject to approval of the members) bonus issue of 2 (Two) new equity shares for every 1 (One) equity share held as on the ‘record date’ to be determined by the Board by capitalizing a part of the amount standing to the credit of general reserves and/or the securities premium account and/or retained earnings or such other account (Reserves).

Issue of bonus shares as aforesaid will require reclassification of unissued preference shares into equity shares, increase in the Authorised Share Capital of the Company from Rs 10 crores to Rs 12 crores and consequential amendments to the existing Clause V of the Memorandum of Association of the Company and to Article II (1) of the Articles of Association.

Accordingly, the Board recommends the resolutions set forth in Item No. 1, 2, 3 and 5 to be passed as Ordinary Resolutions and resolution in Item No. 4 to be passed as a Special Resolution through Postal Ballot.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 1 to 5 of the Notice except to the extent of their shareholding.

For and on behalf of the Board

Place: Solapur

Date: January 16, 2021

**Sd/-
E. Purushotham
Chairman & Managing Director
DIN: [00033583](#)**

Registered Office:

Smruthi Organics Limited

165 A Balaji Bhavan

Railway Lines

Solapur - 413001

CIN: L24119PN1989PLC052562

Tel: 0217-2310267, Fax: 0217-2310268

Website: www.smruthiorganics.com

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, February 01, 2021 (9:00 hours IST) and ends on Wednesday, March 3, 2021 (17:00 hours IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, January 15, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com