



AARTI DRUGS LIMITED

CIN: L37060MH1984PLC055433

Regd off: Plot No. N-198, M.I.D.C., Tarapur, Village- Pamtembhi, Taluka – Palghar, Dist. Thane-401 506, Maharashtra.

Phone: 022-24072249/24019025 • Fax: 022-24073462/24070144

E-mail: investorrelations@aartidrugs.com • Website: www.aartidrugs.com

NOTICE OF POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) read with the Companies (Management and Administration) Rules, 2014 (“Rules”) including any statutory modification or re-enactment thereof for the time being in force, Clause 35B of the Equity Listing Agreement and other applicable laws and regulations, for seeking your consent, to pass the proposed resolutions through Postal Ballot with respect to the following Special Businesses:

1. CONSENT UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS OF THE COMPANY:

To consider and if thought fit, to pass through postal ballot, the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to other approvals, if applicable or required under any statute(s)/rule(s)/regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act, 1956 (earlier in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to sell, lease, mortgage or otherwise dispose of whole or substantially the whole of the undertaking(s) of the Company or to create such mortgages/charges/hypothecation and/or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any, created by the Company on all or any part of the immovable and/or movable properties, current and/or fixed assets, tangible or intangible assets, book debts and/or claims of the Company wheresoever situate, present and future and such charge to rank either first, pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecations and other encumbrances created/to be created by the Company, as may be agreed, as also any charges and/or mortgages created by the Company herein before, which are hereby confirmed and ratified, in favour of Indian or Foreign Financial Institutions, Banks or other Lending Institution(s), and/or to such other persons, if any, from whom the Company has borrowed or proposes to borrow money/sums of moneys by way of Term Loans, Cash Credits, Overdrafts, Discounting of Bills, Inter Corporate Deposits, Commercial Papers or issue of any securities or financial instruments or otherwise in any other manner, from time to time, together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered/to be entered into by the Company for all the borrowing of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board, be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty.”

2. TO ADOPT NEW ARTICLES OF ASSOCIATION OF THE COMPANY CONTAINING REGULATIONS IN CONFORMITY WITH THE COMPANIES ACT, 2013:

To consider and if thought fit, to pass through postal ballot, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Articles of Association of the Company be and are hereby altered and amended by substitution of a new set of Articles of Association, a draft of which has been initialed by the Chairman and made available for inspection by the shareholders at the registered office of the Company, which are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the Articles contained in the existing Articles of Association.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby Authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

3. APPOINTMENT OF CA NAVIN C. SHAH AS AN INDEPENDENT DIRECTOR UP TO MARCH 31, 2019:

To consider and if thought fit, to pass through postal ballot, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), CA Navin C. Shah (DIN: 01415556), Director of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act signifying his intention to propose CA Navin C. Shah as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such for a period upto March 31, 2019, not liable to retire by rotation.”

4. APPOINTMENT OF CA PRITI P. SAVLA AS AN INDEPENDENT DIRECTOR UP TO MARCH 31, 2019:

To consider and if thought fit, to pass through postal ballot, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), CA Priti P. Savla (DIN: 00662996), Director of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act signifying his intention to propose CA Priti P. Savla as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such for a period upto March 31, 2019, not liable to retire by rotation.”

5. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY:

To consider and if thought fit, to pass through postal ballot, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital & Debentures) Rule, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and subject to any other necessary approvals from any other authority for the time being in force in this regard, if required, the authorized share capital of the Company be and is hereby increased from Rs. 21,50,00,000/- (Rupees Twenty One Crore Fifty Lakhs only) to Rs. 25,00,00,000 (Rupees Twenty Five Crore only) and such increased authorized share capital shall be divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT the Board of Directors or a duly Authorized Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

6. ALTERATION OF THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION:

To consider and if thought fit, to pass through postal ballot, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules issued thereunder (including any statutory modifications or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following:

‘V. The Authorized Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.’

RESOLVED FURTHER THAT the Board of Directors or a duly Authorized Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

7. APPROVAL FOR ISSUE OF BONUS SHARES BY CAPITALIZATION OF RESERVES/SURPLUS INCLUDING SECURITIES PREMIUM ACCOUNT:

To consider and if thought fit, to pass through postal ballot, the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of

the Company and the recommendation of the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and such permissions, sanctions and approvals as may be required in this regard, and any other regulatory authority, as may be required, consent of the Members be and is hereby accorded to the Board for capitalization of Rs.12,10,85,500 (Rupees Twelve Crore Ten Lakhs Eighty Five Thousand and Five Hundred only) standing to the credit of the securities premium/free reserves and surplus of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus equity shares of Rs. 10/- (Rupees Ten only) each to be issued as fully paid-up equity shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board, in the proportion of 1 (One) equity share of Rs. 10/- each fully paid-up for every 1 (One) existing equity share of Rs. 10/- each held by the Members.

RESOLVED FURTHER THAT consequent to the issue of the bonus shares, hereinbefore resolved, in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and subject to any registration statement to be filed with the Stock Exchanges, and any other requirement under any law, consent of the Members be and is hereby accorded to the Board, for the purpose of issuance Equity Shares as Bonus, issued as fully paid-up Shares to the holders of the existing Shareholders of the Company, whose names appear as holders on such date as may be fixed in this regard by the Board, in the proportion of 1 (One) equity share of Rs. 10/- each fully paid up for every 1 (One) existing equity share of Rs. 10/- each held by the Members.

RESOLVED FURTHER THAT the certificate(s) in respect of the bonus equity shares shall be completed and thereafter be dispatched to the allottees thereof within the period prescribed, except in respect of those allottees who hold shares in dematerialized form.

RESOLVED FURTHER THAT the share certificates in respect to the said Bonus Shares allotted shall be sent to the respective shareholders who hold the existing equity shares in physically form and the respective beneficiary accounts be credited with the bonus shares, for such shareholders who hold the existing equity shares or opt to receive the bonus shares, in dematerialized form, within the prescribed period.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank pari-passu in all respects with the fully paid-up equity shares of the Company as existing on the 'record date', save and except that they shall not be entitled to any dividend that may be declared before the 'record date'.

RESOLVED FURTHER THAT the allotment of the bonus equity shares as aforesaid, to the extent they relate to the non-resident members of the Company, shall be subject to such approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and Regulations thereunder, as amended from time to time, as may be necessary.

RESOLVED FURTHER THAT for the purposes of giving effect to the bonus issue of equity shares resolved hereinbefore, the issuance of equity shares, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things and to give such directions from time to time as may be necessary, expedient usual or proper and to settle any question or doubt that may arise in relation thereto or otherwise reconsider the matter within changed circumstances, if any, as it may at its discretion deem necessary or desirable for such purpose, including without limitation, filing a registration statement, if any, and other documents with the SEBI, listing the additional equity shares on Stock Exchange(s) where the shares of the Company are listed, and entering into arrangements in regard to such bonus equity shares as it may in its absolute discretion deem fit."

Registered Office:
Plot No. N-198, MIDC, Tarapur,
Village-Pamtembhi, Taluka-Palghar,
Dist. Thane 401 506.

By order of the Board of Directors

Sd/-
CS Sunny Pagare
Company Secretary

Mumbai, January 30, 2015

NOTES:

1. Explanatory Statement for the proposed Resolutions pursuant to Section 102 read with Section 110 of the Companies Act, 2013 along with applicable rules thereunder setting out material facts forms part of this Notice booklet.
2. The Notice of the Postal Ballot has been sent to the registered address of all the Shareholders whose names appear in the Register of Members/Beneficial Owners as per the details furnished by the Depositories as on 4th February, 2015. The Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode would also receive the Notice of Postal Ballot by e-mail.
3. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the Shareholders as on 4th February, 2015.
4. Shareholders can also download the Postal Ballot Form from the link <http://www.evoting.nsdl.com> or seek duplicate Postal Ballot Form from M/s. Sharepro Services (India) Pvt. Ltd., Registrar & Transfer Agents, at Samhita Warehousing Complex, Gala No. 52 to 56, Bldg. No. 13 A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai-400 072.
5. The voting period for postal ballot ends at 6.00 p.m. on Thursday, 12th March, 2015 and voting period for e-voting commences on Wednesday, 11th February, 2015 (9.00 a.m.) and ends on Thursday, 12th March, 2015 (6.00 p.m.). The e-voting module shall also be disabled by NSDL for voting thereafter.
6. All the material documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Shareholders at the Registered Office of the Company at Plot No. 198 MIDC Tarapur, Palghar, Village Pamtermbhi, Dist Thane, Maharashtra during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the last date for receipt of the postal ballot specified in the accompanying Notice.
7. Shareholders are also requested to carefully read the instructions printed behind the Postal Ballot Form before exercising their vote.

INSTRUCTIONS FOR VOTING

Kindly note that each Equity Shareholder can opt for only one mode for voting i.e. either by Physical Ballot or by e-voting. If you opt for e-voting, then please do not vote by Physical Ballot and vice versa.

However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.

VOTING THROUGH POSTAL BALLOT

The detailed procedure is as under:

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Sunil M. Dedhia, Practising Company Secretary in the enclosed postage prepaid envelope affixed with requisite stamp by the Company. Thus postage has been borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the Shareholder will also be accepted.
2. The postage prepaid envelope bears the name of the Scrutinizer appointed by the Board and the Postal Address of the Registrar & Transfer Agents of the Company.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (6.00 p.m.) on **12th March, 2015**. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before 12th March, 2015 providing sufficient time for postal transit.
5. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the shareholders as on 4th February, 2015.

6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.
7. Members are requested not to send any paper (other than the resolution/authority as mentioned under item Nos. 3 & 6 above) along with the Postal Ballot Form in the enclosed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
8. The exercise of vote by Postal Ballot is not permitted through proxy.
9. There will be only one Postal Ballot Form for every Registered Folio/client ID irrespective of the number of Joint Member(s).
10. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
11. A Shareholder need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
13. The **result of the voting** on the resolutions will be announced on **14th March, 2015** and published in the newspapers and displayed at the registered office of the Company and also communicated to the stock exchanges and shall also be posted on the website of the Company **www.aartidrugs.com**.
14. The Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

VOTING IN ELECTRONIC FORM (E-VOTING):

In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. For this purpose, necessary arrangements have been made with National Securities Depository Limited ("NSDL") to facilitate e-Voting. The instructions for e-Voting are as under:

a) In case of members receiving an e-mail from NSDL

- i) Open e-mail and open PDF file viz.; "Aarti Drugs e-Voting services" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder – Login
- iv) If you are already registered with NSDL for e-Voting, then you can use your existing user ID and password for casting your vote.
- v) If you are logging for the first time, please enter the user ID and password provided in the PDF file attached with the email as initial password.
- vi) The password change menu appears on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) Once the e-Voting Home page opens, click on e-Voting> Active Voting Cycles.
- viii) Select Electronic Voting Event Number ("EVEN") of Aarti Drugs Limited as given in the body of email. Now you are ready for e-Voting as Cast Vote page opens.
- ix) Cast your vote(s) by selecting appropriate options and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Once the votes on the resolutions are cast, the member shall not be allowed to change these subsequently.

- xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are Authorized to vote, to the Scrutinizer through e-mail at investorrelations@aartidrugs.com with a copy marked to evoting@nsdl.co.in
 - xiii) 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 Downloads section of www.evoting.nsdl.com
 - xiv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- b) In case of members receiving physical copies of the Notice of Postal Ballot:**
- i) Initial password, along with User ID and Electronic Voting Event Number (“EVEN”) is provided at the bottom of Postal Ballot Form.
 - ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiv) above, to cast vote.
- c) As per the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the members through electronic transmission. Notices of Postal Ballot and Forms are being sent electronically to all the members whose e-mail IDs are registered with the Company/Depository Participants(s). In respect of others, these documents are being sent by permitted mode.
- d) Members who have received Notice of Postal Ballot by e-mail and who wish to vote through Physical Postal Ballot Form can seek Duplicate Postal Ballot Form from Registrar & Transfer Agent - M/s Sharepro Services (India) Pvt. Ltd., Registrar & Transfer Agents, at Samhita Warehousing Complex, Gala No. 52 to 56, Bldg. No. 13 A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai - 400 072., and fill in the details and send the same to the Scrutinizer.
- e) The Notice is being sent to all the members of the Company whose names appear in the Register of Members/Record of Depositories as on 4th February, 2015 (cut off date). Voting rights shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on the cut off date.
- f) The voting period commences on **Wednesday, 11th February, 2015 (9.00 a.m.) and ends on Thursday, 12th March, 2015 (6.00 p.m.)**. The e-Voting module shall be disabled by NSDL for voting thereafter.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 1

For creation of security through mortgage or hypothecation or otherwise or through combination to secure borrowings by the Company, the Company would be required to create charge over all or any of the movable and immovable properties of the Company, present and future. Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting by way of a special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Hence, it is proposed to obtain consent of the members as such under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors or its duly constituted Committee to mortgage/charge the properties and/or the whole or substantially the whole of the undertaking(s) of the Company as aforesaid.

Your Board thus commends the said Resolution for your approval as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

Item No. 2

The existing Articles of Association (AOA) of the Company are based on the Companies Act, 1956 and several regulations in the existing AOA contain special Sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the provisions of the Companies Act, 2013 (“Act”).

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (MCA) has notified 98 Sections and on March 26, 2014, MCA has notified most of the remaining Sections barring few provisions. However substantive Sections of the said Act which deal with the general working of the Companies stand notified.

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletion in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by Shares.

The Proposed new draft AOA shall be open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m.

Your Board thus commends the said Resolution for your approval as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

Item Nos. 3 & 4

CA Navin C. Shah, B.Com., FCA, a practicing Chartered Accountant having more than 25 years of experience, has been Independent Director of the Company since November 4, 2010.

CA Priti P. Savla, FCA, a practicing Chartered Accountant having more than 10 years of experience, has been Independent Director of the Company since September 26, 2014.

CA Navin C. Shah and CA Priti P. Savla, Independent Directors of the Company, had been appointed as Directors liable to retire by rotation in terms of the Listing Agreement. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, they, being eligible, are sought to be appointed as Independent Directors for a period of 5 (five) years and not liable to retire by rotation.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members along with a deposit of Rs. 1,00,000/- in each case, proposing candidature of CA Navin C. Shah and CA Priti P. Savla for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the said Act.

The Company has received from each of the said Directors, consent in writing to act as director and declaration to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 in prescribed Form DIR - 2 and DIR - 8 respectively. Further, the Company has received from each of the said Directors, a declaration to the effect that he meets criteria of independence as provided in Section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by each of the said Directors that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of opinion that they fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

The Board considers that continued association of each of the said Independent Directors would be of immense benefit to the Company in view of their qualification, expertise and experience in their respective field as also exposure to the corporate culture and governance. Further, continued association of each of the said Directors would be of immense benefit to the Company and it is desirable to continue to avail services of each one of them as Independent Directors.

Copies of the draft letters for appointment proposed to be issued to CA Navin C. Shah and CA Priti P. Savla as an Independent Director setting out the terms and conditions thereof are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on all working days between 11.00 a.m. and 1.00 p.m., up to the date of the AGM.

The resolutions proposed at Item Nos. 3 & 4 of the accompanying Notice, seek the approval of the members for appointment each of the said Directors as an Independent Director of the Company, as directors not liable to retire by rotation for a period of 5 (five) years, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder.

Your Board thus commend the said resolutions for your approval as Ordinary Resolutions.

CA Navin C. Shah and CA Priti P. Savla are interested in the resolution pertaining to their respective appointment as an Independent Director.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

Item Nos. 5 to 7

Your Company is glad to intimate you that Company has decided to issue bonus equity shares to its existing shareholders as on record date decided by the Board of Director of the Company.

As company is having a handsome amount of reserves and surplus under the headings which covers the category of securities premium account and free reserves and your company wants to share part of this reserves with you.

The above said proposal for Bonus Issue is also required to provide liquidity to the equity shares by increasing the available number of equity shares in the market and also to reward the members by allotting bonus equity shares. By issuance of 1,21,08,550 fully paid equity shares of Rs. 10/- each by way of Bonus equity shares, the paid-up equity share capital of the Company will be increased from Rs. 12,10,85,500/- (Rupees Twelve Crore Ten Lakhs Eighty Five Thousand and Five Hundred only) to Rs. 24,21,71,000/- (Rupees Twenty Four Crore Twenty One Lakhs Seventy One Thousand only).

Accordingly, the resolutions set forth in Item No. 7 of the Postal Ballot Notice seek the approval of Members for capitalization of the amount standing to securities premium account/free reserve for the issuance of said Bonus Equity Shares to the existing Shareholders of the Company as on record date.

Further your Directors propose to issue 1 (One) equity share of Rs. 10/- each fully paid-up for every 1 (One) existing equity share of Rs. 10/- each held by the Members, whose names shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be decided by the Board of Directors of your Company.

The Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company save and except that they shall not be entitled to any dividend that may be declared before the 'record date'.

The said proposal for issuance of Bonus Equity Shares is beneficial to the members of the company as well as to the Company.

Since, the said issue of Bonus Equity Shares will result in to increase in Paid-up Share capital of the Company, it would require increase of Authorized Share Capital as well. Accordingly, the Board of Director of your Company have proposed to increase the Authorized Share Capital from Rs. 21,50,00,000 (Rupees Twenty One Crore Fifty Lakhs only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) which will be divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each. Further as a consequences of the above said increase in Authorized Share Capital, your Company will require to alter Clause 'V' of the Memorandum of Association to give effect to such increase in Authorized Share Capital. Accordingly, the Board of Directors of your Company have approached you to accord your consents for the said proposals as well as set forth in resolutions proposed at Item Nos. 5 and 6 of the Postal Ballot Notice.

Your Directors thus commend the said resolutions for your approval as Ordinary resolutions.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

Registered Office:
Plot No. N-198, MIDC, Tarapur,
Village-Pamtembhi, Taluka-Palghar,
Dist. Thane 401 506.

Mumbai, January 30, 2015

By order of the Board of Directors

Sd/-
Sunny Pagare
Company Secretary



AARTI DRUGS LIMITED

CIN: L37060MH1984PLC055433

Regd off: Plot No. N-198, M.I.D.C., Tarapur, Village – Pamtembhi, Taluka – Palghar, Dist. Thane-401 506, Maharashtra.

Phone: 022-24072249/24019025 • Fax: 022-24073462/24070144

E-mail: investorrelations@aartidrugs.com • Website: www.aartidrugs.com

POSTAL BALLOT FORM

1. Serial No. :
2. Name & Registered Address of the Sole/First named Member (In BLOCK LETTERS) :
3. Name(s) of the joint Member(s), if any, : (In BLOCK LETTERS)
4. Registered Folio No./DP ID No.*/ Client ID No.* :
5. Number of Share(s) held :

(*Applicable to members holding shares in dematerialized form)

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through postal ballot for the business as stated in the Postal Ballot Notice of the Company dated 30th January, 2015 by conveying my/our assent or dissent to the said resolutions by placing the tick mark (✓) in the appropriate box below:

Sr. No.	Description	No. of Shares	I/We assent to the Resolution (FOR)**	I/We dissent to the Resolution (AGAINST)**
1.	Special Resolution to create charge on assets/undertakings u/s. 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company			
2.	Special Resolution to adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013			
3.	Appointment of CA Navin C. Shah as an Independent Director up to 31 st March, 2019			
4.	Appointment of CA Priti P. Savla as an Independent Director up to 31 st March, 2019			
5.	Increase in the Authorized Share Capital of the Company			
6.	Alteration of the Capital Clause V of the Memorandum of Association			
7.	Approval for the issue of bonus equity shares by capitalization of reserves and surplus including securities premium account.			

**Please tick (✓) in the appropriate box

Place: _____

Date: _____

Signature of the Member

1. Please read carefully the instruction overleaf before completing this Postal Ballot Form.
2. Last date for receipt of Postal Ballot Form by the Scrutinizer is 12th March, 2015.

ELECTRONIC VOTING PARTICULARS		
EVEN (Electronic Voting Even Number)	User ID	Password

INSTRUCTIONS

Process and manner for members opting for voting using the physical Postal Ballot Form are as under:

1. Please complete the Postal Ballot Form in all respects and send it duly signed to the Scrutinizer, CS Sunil M. Dedhia, Practising Company Secretary, in the attached postage prepaid envelope which shall be properly sealed with adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the Member but using the postage pre-paid envelope will also be accepted.
2. The postage prepaid envelope bears the name of the Scrutinizer appointed by the Board and the Postal Address of Registrar & Transfer Agent of the Company.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (6.00 p.m.) on 12th March, 2015. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before 12th March, 2015 providing sufficient time for postal transit.
5. The voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on 4th February, 2015.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.
7. Members are requested not to send any paper (other than the resolution/authority as mentioned under item Nos. 3 & 6 above) along with the Postal Ballot Form in the enclosed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
8. The exercise of vote by Postal Ballot is not permitted through proxy.
9. There will be only one Postal Ballot Form for every Registered Folio/client ID irrespective of the number of Joint Member(s).
10. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
11. A Shareholder need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
13. The result of the voting on the resolutions will be announced on **14th March, 2015** and published in the newspapers and displayed at the registered office of the Company and also communicated to the stock exchanges and shall also be posted on the website of the Company **www.aartidrugs.com**
14. The Applicant Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.

Notes:

1. Members are requested to refer to the Postal Ballot Notice and Notes thereto for detailed instructions with respect to E-Voting.
2. The Scrutinizer will collate the votes downloaded from e-voting system and votes received through Postal Ballot to declare the final results for the resolutions placed for voting by the Company.
3. Each member can opt for only one mode for voting i.e. either by physical ballot form or through e-voting. If you opt for e-voting, then please do not vote by physical ballot form and vice versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.