



AARTI DRUGS LIMITED

CIN: L37060MH1984PLC055433

Regd. Off: Plot No. N-198, M.I.D.C. Tarapur, Village - Pamtermbhi, Tal. and Dist. Palghar - 401 506, Maharashtra.

Phone: 022-2401 9025, **Fax:** 022-24073462

Website : www.aartidrugs.co.in, **Email :** investorrelations@aartidrugs.com

POSTAL BALLOT NOTICE

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

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (**"the Rules"**), including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force and subject to such other applicable laws and regulations, for seeking approval of the Members of Aarti Drugs Limited (**"the Company"**) for the resolutions proposed to be passed by the Members through Postal Ballot only through voting by electronic means (**"e-voting"**) as set out hereunder.

In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs, Government of India (the **"MCA"**) has issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 22/2020 dated June 15, 2020 (Collectively referred to as **"MCA Circulars"**). In terms of the MCA Circulars, the Postal Ballot Notice is being sent only through electronic mode to those members whose e-mail address are registered with the Company or the Depository Participant(s) and the communication of assent / dissent on the resolutions will take place through the remote e-voting system only. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars. Accordingly, in terms of the MCA Circulars, physical copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members and members are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company now propose to obtain the consent of the members by way of Postal Ballot for the matters as considered in the Resolutions appended below. The Explanatory Statement pursuant to Section 102 and 110 of the Act pertaining to the said Resolutions setting out material facts and the reasons for the Resolution are also annexed.

You are requested to peruse the proposed resolutions along with Explanatory Statement annexed and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

Resolution proposed:

1. Increase in Authorized Share Capital and consequent amendment to Memorandum of Association of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from ₹25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of ₹ 10/- (Rupees Ten only) each to ₹120,00,00,000/- (Rupees One hundred and Twenty Crores only) by creation of additional 9,50,00,000 (Nine Crores Fifty Lakhs) equity shares of ₹ 10/- (Rupees Ten only) each and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause V:

'V. The Authorised Share Capital of the Company is ₹ 120,00,00,000/- (Rupees One hundred and Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores) equity shares of ₹ 10/- (Rupees Ten only) each.

Any shares of the original or increased capital may, from time to time be issued with such terms, conditions, restrictions and guarantees, or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantage over any shares previously issued or then about to be issued, or with deferred or qualified rights to any provisions or conditions and with any special rights or limited rights, or without any rights of voting and generally on such terms as the Company may from time to time determine. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special Resolution passed at a separate meeting of the holders of those shares.'

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company."

2. Issue of Bonus Shares

To consider and, if thought fit, to pass, with or without modification(s), 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 or re-enactment thereof for the time being in force), provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Foreign Exchange and Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions of regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) from time to time, and in accordance with the provisions contained in the Articles of Association of the Company and pursuant to the recommendation of the Board of Directors of the Company ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution), and subject to such other approvals, consents, permissions as may be necessary, consent of the members be and is hereby granted to capitalize the sum of ₹69,90,00,000/- (Rupees Sixty Nine Crores Ninety Lakhs Only) out of the Capital Redemption Reserve, General Reserve, Retained Earnings and/or any other permitted reserves/ surplus of the Company for the purpose of issuance of bonus shares to the shareholders of the Company, whose names appear in the Register of Members maintained by the Company/ List of Beneficial Owners of the Depositories as on the record date to be determined by the Board in proportion of 3:1 i.e 3 (Three) equity shares of nominal value ₹10/- (Rupees Ten Only) each for every 1 (One) equity share of nominal value of ₹10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT all such new Equity shares as and when issued shall be issued subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari passu and carry same rights with the existing equity shares of the Company in all respect.

RESOLVED FURTHER THAT the allotment of new Equity 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 necessary or applicable.

RESOLVED FURTHER THAT in case of members who hold shares in dematerialisation form, the equity shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participant(s) and in case of the members who hold equity shares in physical form, the share certificate(s) in respect of the equity shares shall be dispatched, within such times as prescribed under the law and by the relevant authorities.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to take necessary steps for listing of the Equity Shares so allotted at the Stock Exchanges where the securities of the Company is listed as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable Laws, Rules and Regulations.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things whatsoever, including settling any questions, doubts or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority(ies) and which the Board in its discretion thinks fit and proper.

RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorized to delegate all or any of the powers conferred by this resolution on it, to any committee or sub-committee of Directors or any other Director(s), Company Secretary or any other Officer(s) of the Company to give effect to the foregoing resolutions, with the power to such committee/ sub-committee of the Board to further delegate all or any of its powers/ duties to any of its members."

Registered Office:

Plot No. N-198, MIDC Tarapur,
Village – Pamtermbhi,
Dist. Palghar- 401 506,
Maharashtra

By Order of the Board

Sd/-
Rushikesh Deole
Company Secretary
ICSI M. No.: A54527

Place: Mumbai

Date : August 20, 2020

NOTES:

1. The Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), as amended, setting out material facts relating to the Resolutions proposed to be passed is annexed hereto.
2. The Postal Ballot Notice is being sent only by email to all the Members, whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as on **Tuesday, August 18, 2020 (the 'cut-off date')** and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited ("RTA").
3. Members may note that the aforesaid Postal Ballot Notice has been uploaded on the website of the Company at www.aartidrugs.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Postal Ballot Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
4. The voting rights of the Members shall be reckoned in proportion to the equity shares held by them **on the cut-off date on Tuesday, August 18, 2020**. Only those Members holding shares either in physical form or dematerialized form as on the Cut-off date will be entitled to cast their votes by remote e-voting. A person who is not a Member as on the cut-off date should treat this notice for information purpose only.
5. Pursuant to the applicable provisions of the Act and Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company can serve notices, annual reports and other communication through electronic mode to those Members who have registered their e-mail addresses either with the Depository Participant(s) or the Company. Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their email addresses to the M/s. Link Intime India Private Limited sending an e-mail at rnt.helpdesk@linkintime.co.in or to the Company at investorrelations@aartidrugs.com
6. Resolutions, if passed by the Members through postal ballot are deemed to have been duly passed on the last date specified for the remote e-voting i.e. September 20, 2020 in terms of Secretarial Standard – 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India. Resolution passed by Members with requisite majority, through postal ballot shall be deemed to have been passed at a general meeting of Members convened on that behalf.
7. A member cannot exercise his vote by proxy on Postal Ballot.
8. In case of any query/grievance in connection with the Postal Ballot including remote e-voting, Members may contact NSDL by e-mail at evoting@nsdl.co.in or to the Company at investorrelations@aartidrugs.com
9. The Board has appointed Mr. Sunil M. Dedhia, Practicing Company Secretary (FCS 3483 CP 2031), Proprietor of Sunil M. Dedhia and Co., Company Secretaries, as the Scrutinizer to conduct the Postal Ballot - remote e-voting process in a fair and transparent manner. After completion of scrutiny of the votes, the Scrutinizer will submit his Report to the Chairman, Managing Director or Company Secretary of the Company. The results of the voting conducted through postal ballot (through the remote e-voting process) will be announced by the Chairman/Company Secretary on or before Tuesday, September 22, 2020. The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act read with Rules framed thereunder, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2, the Company has arranged remote e-voting facility for all its members, to enable them to cast their vote electronically instead of dispatching the physical Postal Ballot form by post. The Company has engaged the services of NSDL for the purpose of providing remote e-voting facility to all its members.

The instructions for shareholders voting electronically are as under:

The voting period begins on **Saturday, August 22, 2020 at 9:00 a.m. and ends on Sunday, September 20, 2020 at 5:00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, August 18, 2020 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 shareholder, the shareholder shall not be allowed to change it subsequently.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.
Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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 sunil@sunildedhia.com with a copy marked to evoting@nsdl.co.in.
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 toll free no.: 1800-222-990 or can contact NSDL on evoting@nsdl.co.in or contact further, please find below details of NSDL officials for queries.

Mr. Amit Vishal, Senior Manager, NSDL, 022-2499 4360 or email at amitv@nsdl.co.in

Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at pallavid@nsdl.co.in

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

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and physical copy of Postal Ballot Notice along with Postal Ballot forms and pre-paid business envelope will not be sent to the members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. Therefore, those members who have not yet registered their email address can procure the user id and password for remote e-voting by following the procedure given below:

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 investorrelations@aartidrugs.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 investorrelations@aartidrugs.com.
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

Registered Office:

Plot No. N-198, MIDC Tarapur,
Village – Pamtermbhi,
Dist. Palghar- 401 506,
Maharashtra

By Order of the Board

Sd/-
Rushikesh Deole
Company Secretary
ICSI M. No.: A54527

Place: Mumbai
Date : August 20, 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND 110 OF THE COMPANIES ACT, 2013

RESOLUTIONS 1 AND 2

The Board in its meeting held on August 20, 2020 and subject to the consent of the members of the Company approved and recommended issue of Bonus Equity Shares of ₹10/- (Rupees Ten only) each credited fully paid up to eligible members of the Company in the proportion of 3:1 i.e. 3 (Three) new fully paid-up equity shares of ₹10/- (Rupees Ten only) each for every 1 (One) existing fully paid-up equity share of ₹10/- (Rupees Ten only) each by capitalising a sum of ₹69,90,00,000/- (Rupees Sixty Nine Crores Ninety Lakhs Only) out of the Capital Redemption Reserve, General Reserve, Retained Earnings and/or any other permitted reserves/ surplus of the Company. The issue of Bonus Shares is authorised by the Article 59 of Articles of Association of the Company and shall be made in line with the provisions of Section 63 of the Companies Act, 2013 and other applicable regulations and subject to such approvals, if required from any statutory authorities.

Presently, the Authorised Share Capital of the Company is ₹25,00,00,000/- (Rupees Twenty Five Crores only) consisting of 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of ₹ 10/- (Rupees Ten only) each.

In order to facilitate issue of bonus shares and for future requirements, if any, it is proposed to increase the Authorised Share Capital to ₹120,00,00,000/- (Rupees One hundred and Twenty Crores) by creation of additional 9,50,00,000 (Nine Crores Fifty Lakhs) equity shares of ₹ 10/- (Rupees Ten only) each. The increase in the Authorised Share Capital as aforesaid would entail consequential alteration of the existing Clause V of the Memorandum of Association of the Company.

The increase in the Authorised Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company and issue of bonus equity shares by way of capitalisation of reserves and surplus as aforesaid for the purpose of issue of bonus equity shares requires members' approval in terms of Sections 13, 61 and 63 of the Companies Act, 2013.

Accordingly, resolutions 1 and 2 of this Notice seek Members' approval for increase in authorized share capital and consequential amendments to Memorandum of Association of the Company and capitalization of the amount standing to the credit of reserves and surplus as aforesaid of the Company for the purpose of issue of bonus equity shares on the terms and conditions set out in the resolutions.

The Board recommends the resolutions 1 and 2 for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions No. 1 and 2 of this Notice except to the extent of shares held by them or any concern or company controlled by them in the Company.

Registered Office:

Plot No. N-198, MIDC Tarapur,
Village – Pamtermbhi,
Dist. Palghar- 401 506,
Maharashtra

By Order of the Board

Sd/-
Rushikesh Deole
Company Secretary
ICSI M. No.: A54527

Place: Mumbai

Date : August 20, 2020