

March 19, 2019

<b>To,</b> <b>BSE Limited</b> Pheeroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400 001	<b>To,</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East) Mumbai – 400 051
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Dear Sir/Madam,

**Sub: Filing of Public Announcement and Board Resolution for Buyback of Equity Shares of Aarti Drugs Limited pursuant to the provisions of Regulation 7 (i) and 5(vii) of SEBI (Buy Back of Securities) Regulations, 2018, as amended (“Buyback Regulations”)**

With reference to the captioned matter, please find enclosed herewith the certified true copy of the Board Resolution passed by the Board of Directors of Aarti Drugs Limited at its meeting held on March 19, 2019 for the proposed Buyback of its fully paid-up Equity Shares of the face value of Rs. 10/- each not exceeding 2,82,100 (Two Lakh Eighty Two Thousand One Hundred) (representing 1.20% of the total number of outstanding Equity Shares of the Company) at a price of Rs. 900/- (Rupees Nine Hundred only) per Equity Share payable in cash for an aggregate amount of up to Rs. 25,38,90,000/- (Rupees Twenty Five Crores Thirty Eight Lakhs Ninety Thousand Only) from the equity shareholders/beneficial owners of the Company on a proportionate basis through the tender offer route using stock exchange mechanism in accordance with the article 61 of Articles of Association of the company, Sections 68, 69 and 70 of the Companies Act, 2013 and Buyback Regulations.

With reference to the same the Public Announcement has been published in pursuance of the provisions of Regulation 7(i) of the Buyback Regulations. The said Public Announcement is published on March 19, 2019 in the following newspapers.

1. Financial Express (English Edition)
2. Jansatta (Hindi Edition)
3. Mumbai Lakshadeep (Marathi –Mumbai Edition)

Please find enclosed herewith newspaper clipping of Public Announcement published in Financial Express on March 19, 2019.

Kindly receive the same in order and take the same on records.

Thanking you,

Yours faithfully,

For Inga Advisors Private Limited

*K. R. Shah*

Name: Kavita Shah  
Designation: Partner  
Email: [kavita@ingaadvisors.com](mailto:kavita@ingaadvisors.com)











8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### OPINION

10. Based on our examination, as stated above and according to the information, explanations and written representations provided to us by the Management of the Company, we report that:
- The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as stated in Annexure A is in accordance with Section 68(2)(c) of the Act;
  - The Board of Directors of the Company, in their meeting held on 15 March, 2019 have formed their opinion as specified in clause (x) of Schedule I of the Buyback Regulations on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated 15 March, 2019.

#### RESTRICTION ON USE

12. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Act and the Buyback Regulations, solely to enable the Board of Directors of the Company to include it (a) in the public announcement to be made to the shareholders of the Company, (b) in the draft letter of offer and letter of offer to be filed with Securities & Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Act and the Buyback Regulations, should not be used for any other purpose or by any other person. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior concern in writing. We have no responsibility to update this report for events and circumstances after the date of this report.

**For Kirtane & Pandit LLP,**  
Chartered Accountants,  
FRN: 105215W/W100057

Sd/-

**Milind Bhave**

Partner

M. No. 047973

Place: Mumbai

Date: 15 March, 2019

#### Annexure A

(Amount in Lakhs)

Particulars	As at September 30, 2018 (Standalone)	As at September 30, 2018 (Consolidated)
Equity Share Capital- Subscribed and Paid-up	2,358.21	2,358.21
Free Reserves		
Securities Premium Account	NIL	NIL
General Reserve	33.77	33.77
Surplus in Statement of Profit and Loss	43,693.48	45,604.07
TOTAL	46,085.46	47,996.05
Maximum amount permissible for the Buy-back i.e. 10% of total paid up equity capital and free reserves	4,608.55	4,799.60
<b>Amount approved by the Board of Directors for buy-back in the meeting held on 15 March 2019</b>		<b>2,538.90</b>

#### Unquoted

11. **RECORD DATE AND SHAREHOLDER'S ENTITLEMENT**
- 11.1. The Board has fixed Friday, March 29, 2019 as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders/beneficial owners who are eligible to participate in the Buyback.
- 11.2. In due course, Eligible Sellers will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement for participating in the Buyback, along with a tender offer form indicating the entitlement of the Eligible Sellers for participating in the Buyback. Even if Eligible Sellers does not receive the Letter of Offer along with a tender offer form, the Eligible Sellers may participate and tender shares in the Buyback
- 11.3. The Equity Shares to be bought back as part of the Buyback are divided in two categories:
- Reserved category for Small Shareholders (defined hereinafter); and
  - General category for all other Eligible Sellers.
- 11.4. As defined in the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE, where the highest trading volume is recorded in respect of Equity Shares as on Record Date, of not more than ₹ 2,00,000/- (Rupees Two Lakhs).
- 11.5. In accordance with proviso to Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- 11.6. On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each Eligible Seller, including Small Shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Seller will be calculated based on the number of Equity Shares held by the respective Eligible Seller as on the record date and the ratio of the Buyback applicable in the category to which such Eligible Seller belongs. The final number of Equity Shares that the Company will purchase from each Eligible Sellers will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by Eligible Sellers.
- 11.7. After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Seller in that category, and thereafter from Eligible Seller who have tendered over and above their entitlement in other category.
- 11.8. The participation of the Eligible Sellers in the Buyback is voluntary. Eligible Sellers may also tender a part of their entitlement. Eligible Sellers also have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Sellers, if any. If the Buyback entitlement for any Eligible Seller is not a round number, then the fractional entitlement shall be ignored for computation of Buyback entitlement to tender Equity Shares in the Buyback.
- 11.9. The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Seller cannot exceed the number of Equity Shares held as on the Record Date.
- 11.10. The Small Shareholders whose entitlement would be less than 1 Equity Share may tender additional Equity Shares as part of the Buyback offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

- 11.11. Small Shareholders holdings of multiple demat accounts would be clubbed together for identification of small shareholder, if sequence of Permanent Account Number for all holders is matching. Similarly, in case of physical shareholders, if the sequence of names of joint holders is matching, holding under such folios should be clubbed together for identification of small shareholder.

- 11.12. Detailed instructions for participation in the Buyback as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Sellers.

#### 12. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 12.1. The Buyback is open to all Eligible Sellers of the Company, holding Equity Shares either in physical and/or demat form on the Record Date (subject to provisions of paragraph 12.7 and 12.8 of this Public Announcement).
- 12.2. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI circular and following the procedure prescribed in the Act and the Buyback Regulations, and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 12.3. For implementation of the Buyback, the Company has appointed Ghalla Bhansali Stock Brokers Private Limited as the registered broker to the Company ("**Company's Broker**") through whom the purchases and settlement on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Name: Ghalla Bhansali Stock Brokers Private Limited  
Address: Devansh, 133 D.S.P Road, Dadar (East), Mumbai - 400 014  
Tel. No.: +91 22 4049 7000/200/2414 7000/2415 7000  
Contact Person: Mr. Paresh Visharia  
Email: pareshv@ghallabhansali.com; Website: www.ghallabhansali.com  
SEBI Registration Number: NSE-CM-INB230957033; BSE-CM-INB010957034  
Corporate Identity Number: U67120MH1996PTC100233

- 12.4. The Company will request BSE to provide the separate acquisition window to facilitate placing of sell orders by Eligible Sellers who wish to tender their Equity Shares in the Buyback.
- 12.5. At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through Company's Broker.
- 12.6. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Sellers through their respective stock brokers during normal trading hours of the secondary market. The stock brokers ("**Seller Member(s)**") can enter orders for demat shares as well as physical shares.
- 12.7. **Procedure to be followed by Eligible Sellers holding Equity Shares in the dematerialised form:**
- Eligible Sellers who desire to tender their Equity Shares in the electronic/dematized form under Buyback would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buyback.
  - The Seller Member would be required to place an order/bid on behalf of the Eligible Sellers who wish to tender Equity Shares in the Buyback using the Acquisition Window of the BSE. Before placing the bid, the concerned Seller Member would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited ("**Clearing Corporation**"), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry.
  - The details of the special account shall be informed in the issue opening circular that will be issued by BSE or Indian Clearing Corporation Limited.
  - For custodian participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
  - Upon placing the order, the Seller Member shall provide transaction registration slip ("**TRS**") generated by the stock exchange bidding system to the Eligible Seller. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered, etc.

#### 12.8. Procedure to be followed by Eligible Sellers holding Equity Shares in the Physical form:

- As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from December 5, 2018, transfers of securities shall not be processed unless the securities are held in the dematerialised form with a depository ("**LODR Amendment**"). Further, as per the press release dated December 3, 2018 issued by SEBI ("**Press Release**"), the deadline for effecting the transfer of securities in dematerialised form only has been extended to April 1, 2019. Therefore, transfers of securities on or after April 1, 2019 or such extended date as may be notified by SEBI ("**Physical Transfer Cut-off Date**") shall not be processed unless the securities are held in the dematerialised form with a depository. In this regard, Public Shareholders holding Equity Shares in physical form may check the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) or consult the concerned depository participant.

However, should the acceptance of tendered shares be undertaken before the Physical Transfer Cut-off Date or if SEBI notifies further extension of the Physical Transfer Cut-off Date, the procedure for tendering to be followed by Eligible Shareholders holding Equity Shares in the Physical form is as detailed below.

- Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid Form SH 4 (transfer form) duly filled and signed by the Eligible Seller (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the Eligible Seller's PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Sellers would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Based on these documents, the concerned Seller Member shall place a bid on behalf of the Eligible Sellers holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- The Seller Member/Eligible Seller has to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the Registrar to the Buyback i.e. Link Intime India Private Limited ("**Registrar**") (at the address mentioned at Clause 15 below or the collection centre of the Registrar details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller Member. The envelope should be super scribed as "Aarti Drugs Buyback Offer 2019". One copy of the TRS will be retained by

Registrar and it will provide acknowledgement of the same to the Seller Member/Eligible Seller.

- Eligible Sellers holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'Confirmed Bids'.
- 12.9. Modification/cancellation of orders will be allowed during the tendering period of the Buyback.
- 12.10. The cumulative quantity tendered shall be made available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) throughout the trading sessions and will be updated at specific intervals during the tendering period.

#### 13. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Sellers. If any Eligible Seller's bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant bank, due to any reasons, then the amount payable to the Eligible Sellers will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Seller.
- The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buyback ("**Special Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- The Eligible Sellers will have to ensure that they keep the depository participant ("**DP**") account active and unlocked to receive credit in case of return of Equity Shares, due to rejection or due to non - acceptance.
- Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to the Seller Member by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Sellers holding Equity Shares in the Physical form.
- The Seller Member would issue contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Seller from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.
- The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

#### 14. COMPLIANCE OFFICER

Investors may contact the Compliance Officer appointed for buy back for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Adhish P. Patil  
**Chief Financial Officer & Compliance Officer**  
Mahendra Industrial Estate, Ground Floor; Plot No. 109- D,  
Road No. 29, Sion (East), Mumbai 400022  
Tel. No.: 022 - 2404 8199; Fax: 022 - 2407 3462  
Email: [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com); Website: [www.aartidrugs.co.in](http://www.aartidrugs.co.in).

#### 15. REGISTRAR TO THE BUYBACK/INVESTOR SERVICE CENTRE

In case of any queries, shareholders may also contact the Registrar to the Buyback, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**LINK INTIME INDIA PRIVATE LIMITED**  
C-101, 247 Park L.B.S. Marg, Vikhroli (W), Mumbai - 400 083  
Tel. No.: +91 22 4918 6200; Fax: +91 22 491869 6195  
Contact person: Mr. Sumeet Deshpande  
Email: [aartidrugs.buyback2019@linkintime.co.in](mailto:aartidrugs.buyback2019@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
SEBI Registration Number: INR000004058  
CIN: U67190MH1999PTC118368

#### 16. MANAGER TO THE BUYBACK



**INGA ADVISORS PRIVATE LIMITED**  
1229, Hubtown Solaris, N.S. Phadke Marg,  
Opp. Telli Galli, Andheri (East), Mumbai - 400069  
Tel. No.: 022 2681 6003, Fax No.: 022 2681 6020  
Contact Person: Kavita Shah  
Email: [kavita@ingaadvisors.com](mailto:kavita@ingaadvisors.com)  
Website: [www.ingaadvisors.com](http://www.ingaadvisors.com)  
SEBI Registration No: INM000012573  
CIN: U74140MH2007PTC168130

#### 17. DIRECTORS RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accepts full and final responsibility for the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of Aarti Drugs Limited

Sd/-	Sd/-	Sd/-
Harshit M. Savla	Harit P. Shah	Adhish P. Patil
Joint Managing Director	Whole Time Director	Chief Financial Officer & Compliance Officer

Date : March 18, 2019

Place : Mumbai

PRESSMAN