

September 28, 2022

To,  
Listing/Compliance Department  
**BSE LTD.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**BSE CODE : 524208**

To,  
Listing/Compliance Department  
**National Stock Exchange of  
India Limited**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra - Kurla Complex,  
Bandra (E), Mumbai – 400 051.  
**NSE Symbol : AARTIIND**

Dear Sir/Madam,

**Sub:** Disclosure under Regulation 30 of the SEBI (LODR)  
Regulations, 2015 – Postal Ballot Notice.

Please find attached the Postal Ballot Notice dated September 26, 2022, seeking approval of the members (by remote e-voting) for;

1. Grant of Performance Stock Options to the Employees of the Company Under ‘Aarti Industries Limited Performance Stock Option Plan 2022’
2. Grant of Stock Options to the Employees of the Subsidiary Companies (Present or Future) Under “Aarti Industries Limited Performance Stock Option Plan 2022”

Postal Ballot Notice is being sent only through electronic mode to the members whose names appear in the Register of Members / List of Beneficial Owners and whose email ID is registered with the Company / Depositories, as on Friday, September 23, 2022 (“Cut-off Date”).

The Company has engaged the services of National Securities Depository Limited (‘NSDL’), for providing remote e-voting facility to all its members. The e-voting facility will be available during the following period:

Commencement of e-voting: **9:00 a.m. on Friday, September 30, 2022**

End of e-voting: **5:00 p.m. on Saturday, October 29, 2022**

The Postal Ballot Notice is also available on the Company's website at [www.aarti-industries.com](http://www.aarti-industries.com).

Please take the note of the same on your record.

Thanking You,

Yours faithfully,  
**FOR AARTI INDUSTRIES LIMITED**

RAJ SARRAF  
**COMPANY SECRETARY**  
ICSI M. NO. A15526



**Regd. Office:** Plot Nos. 801, 801/23, GIDC Estate, Phase – III, Vapi, Dist. Valsad, Gujarat – 396 195

**Corporate Office:** 71, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, LBS Marg, Mulund West, Mumbai – 400 080.

**Tel:** +91 2267976666; **Fax:** + 91 2225904806;

**CIN:** L24110GJ1984PLC007301

**Website:** [www.aarti-industries.com](http://www.aarti-industries.com); **E-mail:** [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com)

## **NOTICE OF POSTAL BALLOT**

**[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014]**

Dear Member(s),

**NOTICE** is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“ Rules”), as amended from time to time, read with the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time) that the Resolutions appended below for seeking approval of the members of the Company, proposed to be passed through Postal Ballot (“Postal Ballot”) by way of voting through electronic means (“remote e-voting”).

An explanatory statement pursuant to Sections 102,110 and other applicable provisions, if any, of the Act read with the Rules setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is annexed hereto.

The Board of Directors has appointed CS Sunil M. Dedhia, Practicing Company Secretary (FCS 3483, CP 2031), Proprietor of Sunil M. Dedhia and Co., Company Secretaries as Scrutinizer for conducting the Postal Ballot through the e-voting process in a fair and transparent manner. The Scrutinizer’s decision on the validity of the Postal Ballot shall be final.

The Company has engaged the services of NSDL for the purpose of providing remote e-voting facility to all its members.

The remote e-voting period commences from 9:00 a.m. (IST) on **Friday, September 30, 2022** and shall end at 05:00 p.m. (IST) on **Saturday, October 29, 2022**. (the last day to cast a vote electronically).

The Scrutinizer will submit his report, after the completion of scrutiny, to the Chairman and Managing Director of the Company or any person authorized by him. The results of the Postal Ballot will be announced within two working days from the completion of voting period.

The said results along with the Scrutinizer’s Report will be intimated to BSE Limited and National Stock Exchange of India Limited where the Equity Shares of the Company are listed. Additionally, the results will also be uploaded on the Company’s website [www.aarti-industries.com](http://www.aarti-industries.com) and on the website of National Securities Depository Limited (“**NSDL**”) [www.evoting.nsd.com](http://www.evoting.nsd.com).

### **SPECIAL BUSINESS:**

#### **1. Grant of Performance Stock Options to the Employees of the Company Under ‘Aarti Industries Limited Performance Stock Option Plan 2022’**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Act and the Rules thereunder, applicable regulations of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any statutory modification(s) or re-enactment thereof (hereinafter referred to as “SEBI Regulations”), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”), including any statutory modification(s) or re-enactment(s) of the Act, for the time being in force, the applicable provisions of the Foreign Exchange Management Act, 1999, any rules, guidelines and regulations issued by the Reserve Bank of India, including any amendments(s), statutory modifications(s) or re-enactment thereof (FEMA), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such

conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has duly constituted to exercise its powers, including the powers, conferred by this resolution) for adoption of 'Aarti Industries Limited Performance Stock Option Plan 2022' ('PSOP 2022'/ 'Plan'), the salient features of which are furnished in the explanatory statement to the Notice.

**RESOLVED FURTHER THAT** consent of the Company be and is hereby granted to the Board to create, offer, grant and issue from time to time, in one or more tranches under PSOP 2022, upto 18,13,000 (Eighteen Lakhs Thirteen Thousand Only) stock options to or for the benefit of the employees whether working in India or outside India, who are in the employment of the Company including any Director, whether executive or otherwise (other than the employee who is Promoter or person belong to the Promoter Group, Independent Directors of the Company and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), exercisable into equity shares of the Company in the ratio of 1 (one) equity share of the face value of Rs. 5/- (Rupees Five Only) each fully paid-up for every 1(one) stock option, on such terms and conditions as the Board may decide under the Plan in accordance with the SEBI Regulations and other applicable laws as may be prevailing at that time.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, split, change in capital structure of the Company, as applicable from time to time, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under law, so as to ensure fair and reasonable adjustment to the Stock Options granted earlier. Further, if any additional stock options of the Company are to be issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them, the above ceiling in terms of number of equity shares shall be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued by the Company and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs. 5/- (Rupees Five Only) per equity share shall bear to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or

obligations of the employees who have been granted Stock Options under the PSOP 2022 and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company be and are hereby severally authorised to take requisite steps for listing of the equity shares allotted under PSOP 2022 on the Stock Exchanges where the equity shares of the Company are listed in due compliance with SEBI Regulations and other applicable laws, if any.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PSOP 2022.

**RESOLVED FURTHER THAT** subject to the extent allowed under the applicable laws, the Board be and is hereby authorized to delegate such powers to the Nomination and Remuneration Committee of the Board to formulate, vary, modify, alter, revise or amend the necessary terms and conditions of the PSOP 2022 or to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient and proper to administer, implement and superintend the PSOP 2022, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company, with a power to further delegate to any executives / officers of the Company, to do required acts, deeds, matters and things as may be deemed necessary or expedient in the regard."

## **2. Grant of Stock Options to the Employees of the Subsidiary Companies (Present or Future) Under Aarti Industries Limited Performance Stock Option Plan 2022**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Act and the Rules made thereunder, applicable regulations of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any statutory modification(s) or re-enactment thereof) (hereinafter referred to as "SEBI Regulations"), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), including any statutory modification(s) or re-enactment(s) of the Act, for the time being in force, the applicable provisions of the Foreign Exchange Management Act, 1999, any rules, guidelines and regulations issued by the Reserve Bank of India, including any amendments(s), statutory modifications(s) or re-enactment thereof

(FEMA), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members of the Company be and is hereby granted to extend the benefits of 'Aarti Industries Limited Performance Stock Option Plan 2022' ('PSOP 2022'/ 'Plan') referred to in resolution no. 1 of this Notice and to create, offer, grant and issue, in one or more tranches, stock options to or for the benefit of the employees whether working in India or outside India, who are in the employment of any present and future Subsidiary Company(ies) including any director, whether executive or otherwise (other than the employee who is promoter or person belong to the promoter group, independent directors of the Company and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), exercisable into equity shares of the Company in the ratio of 1(One) equity share of the face value of Rs. 5/- (Rupees Five only) each fully paid-up for every 1(One) stock option, on such terms and conditions as the Board may decide under the Plan in accordance with the SEBI Regulations and other applicable laws.

**RESOLVED FURTHER THAT** subject to the extent allowed under the applicable laws, the Board be and is hereby authorized to delegate such powers to the Nomination and Remuneration Committee of the Board to formulate, vary, modify, alter, revise or amend the necessary terms and conditions of the PSOP 2022 or to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient and proper to administer, implement and superintend the PSOP 2022, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company, with a power to further delegate to any executives / officers of the Company, to do required acts, deeds, matters and things as may be deemed necessary or expedient in the regard."

**Registered Office:**

Plot Nos. 801, 801/23,  
GIDC Estate, Phase III, Vapi-396 195,  
Dist. Valsad, Gujarat

**By order of the Board**

Sd/-  
**Raj Sarraf**  
Company Secretary  
ICSI M. NO. A15526

**Place :** Mumbai

**Date :** September 26, 2022

**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. In compliance with MCA Circulars, 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 **Friday, September 23, 2022 (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.aarti-industries.com](http://www.aarti-industries.com). 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Postal Ballot Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://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 **Friday, September 23, 2022**. 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 purposes only.
5. Pursuant to the applicable provisions of the Act and Rules framed thereunder and the Listing Regulations, 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 Link Intime India Private Limited sending an e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to the Company at [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.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., **Saturday, October 29, 2022**, in terms of Secretarial Standard – 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India. Resolutions 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 a Postal Ballot.

8. In case of any query/grievance in connection with the Postal Ballot including remote e-voting, Members may contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com).

## VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Sections 108 and 110 of the Act, Rules 20 and 22 of the Rules, Regulation 44 of the Listing Regulations SS 2, MCA Circulars and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions and individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access remote e-voting facilities. Pursuant to aforesaid SEBI Circular, login method for remote e-voting for Individual shareholders holding securities in demat mode with CDSL / NSDL is given below:


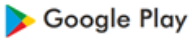


### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for remote e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-Voting process.

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDEAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of <b>NSDL</b> for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDEAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>   </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- 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.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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*****
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*****
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if EVEN is 122643 and folio number is 001*** the user ID is 122643001***

5. Password details for the shareholders other than Individual shareholders 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 the 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) Click on "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.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on the 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 clicking 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 Aarti Industries Limited.
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 and you will receive a confirmation by way of a SMS on your registered mobile number from the depository.
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.

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

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), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to investorrelations@aarti-industries.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), AADHAAR (self-attested scanned copy of Aadhaar Card) to investorrelations@aarti-industries.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **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.nsd.com](http://www.evoting.nsd.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.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **Registered Office:**

Plot Nos. 801, 801/23,  
GIDC Estate, Phase III, Vapi-396 195,  
Dist. Valsad, Gujarat

**Place :** Mumbai

**Date :** September 26, 2022

#### **By order of the Board**

Sd/-

**Raj Sarraf**

Company Secretary  
ICSI M. NO. A15526



**EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013:**

Pursuant to the provisions of Sections 102(1) and 110 of the Companies Act, 2013 read with Regulation 6(2) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations") relating to special businesses mentioned at item no 1 & 2 of the accompanying Notice of Postal Ballot dated September 26, 2022.

**Item No. 1 & 2**

Your Company aims to provide competitive remuneration opportunities to its Employees. It believes that equity-based compensation plans are an effective tool to align employee remuneration to long term performance of the Company. Such a plan can provide an opportunity to Employees to share the growth of the Company. With a view to drive long term performance, retain key talent and to attract new talent, your Company intends to implement an employee stock option plan namely 'Aarti Industries Limited Performance Stock Option Plan 2022' ("PSOP 2022"/ "Plan") to cover Employees of the Company. Your Company also intends to extend the benefits of the plan to Employees of present and future Subsidiary Companies.

Accordingly, the Nomination and Remuneration Committee of the Board of Directors ("Committee") and the Board of Directors of the Company at their respective meetings held on August 19, 2022 and September 26, 2022 approved the introduction of PSOP 2022 and recommended for the approval of members.

The Board has nominated the Committee to be designated as the Compensation Committee for the administration and superintendence of the Plan in accordance with SEBI Regulations. The Company intends to grant up to 18,13,000 (Eighteen Lakhs Thirteen Thousand Only) Options of the Company in the ratio of One equity share of the face value of Rs. 5/- (Rupees Five Only) each fully paid-up for every One Stock Option, on such terms and conditions as the Committee may decide under the Plan in accordance with the SEBI Regulations and other applicable laws.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the SEBI Regulations, the Company seeks approval of the Members for implementation of the Plan and grant of stock options thereunder to the employees of the Company and its Subsidiary Company(ies) (present or future), as the Committee may decide under the Plan in accordance with the SEBI Regulations and other applicable laws.

Disclosure/main features of PSOP 2022 pursuant to the SEBI Regulations:

**a) Brief description of the Plan:**

In view of the aforesaid background, the Plan contemplates grant of options to the employees of the Company and its Subsidiary Company(ies) (present or future).

After vesting of options, the employees earn a right, but not an obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and conditions of the Plan.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for the supervision of Plan and shall administer the Plan. All questions of interpretation of the Plan shall be determined by the Committee as per terms of the Plan.

Under the overall authority of the Committee, the Plan Administrator (which shall include the Chief Human Resource Officer of the Company and / or the Company Secretary of the Company or any other role holder(s) authorized by the Committee from time to time to take necessary administrative steps in order to implement, supervise and administer the Plan) shall be authorised and responsible to take necessary administrative steps in order to implement, supervise and administer the plan, including:

- I. Determine employee-wise number of grants for Committee's approval,
- II. Issue, amend, modify the Grant Letters to Grantees,
- III. Compute Vesting of Options as per the Plan basis level of performance achievement,
- IV. Accept nomination forms/exercise notices from Grantees,
- V. Execute, sign and deliver all letters, correspondence, certificates, undertaking and other deeds and documents on behalf of the Company for any purpose incidental or ancillary to the Scheme,
- VI. Appoint any consultant, lawyer, professional etc. for any legal opinion, advice, views or to represent the Company before any statutory or non- statutory authority. Also, appoint valuer / chartered accountant as may be required, and
- VII. Do all such acts, deeds and things as may be required to implement and administer the Plan or any other matter connected thereto under the Authority of the Committee.

The Plan shall be called as Aarti Industries Limited Performance Stock Option Plan 2022 (PSOP 2022).

The objectives of the Plan are:

- Support attraction & retention of key talent in the Company.
- Incentivize long term performance and value creation.

**b) Total number of Options to be granted**

The total number of stock options to be granted in one or more tranches under the Plan shall not exceed 18,13,000 (Eighteen Lakhs Thirteen Thousand Only). Each option when exercised would be converted in to one equity share of Rs. 5/- (Rupees Five Only) each fully paid-up.

Further, SEBI Regulations requires that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the stock options granted. In this regard, the Committee shall adjust the number and price of the stock options granted in such a manner that the total value of the options granted under the Plan remain the same after any such corporate action. Accordingly, if any additional stock options are issued by the Company for making such fair and reasonable adjustment, the aforesaid ceiling shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of Employees entitled to participate in the Plan**

Following classes of employees are entitled to participate in the Plan:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a executive director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a company including present or future subsidiary Companies , in India or outside India, but does not include -
  - a) an employee who is a promoter or a person belonging to the promoter group; or
  - b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company;

**d) Requirements of vesting and period of vesting**

Performance Criteria:

The criteria for Vesting of Options will include parameters based on achievement of performance against targets set for the employees of the Company on following metrics:

- i. The Company's Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA) (60% Weightage); and
- ii. Return on Invested Capital (ROIC) (40% weightage) where

ROIC = Company's EBIT/Average of Opening and Closing Invested Capital for the year Invested Capital would be mean Capital Employed after deducting intangible assets, Capital WIP, Investment balances, Surplus Cash and Cash Equivalents and such other assets not directly contributing to the returns or profitability or activities of the Company.

Further, for the purpose of determining vesting of any tranche, the performance achievement vis-à-vis target for the immediately preceding financial year would be considered.

The Committee may add or replace the above with any other Company performance metric(s) aligned to long term shareholder value creation from time to time. However, each of the parameters shall have a weightage of at least 25% and no single parameter shall have a weightage of more than 70%. Further, it is envisaged that any such metric(s) added in future will be directly deducible from reported financial statements of the company.

Options shall Vest based on the Company's overall performance of the above parameters calculated on weighted average basis and shall be subject to below performance-vesting relationship:

Type of performance	Actual performance (% of target)	Vesting of Options (% of Eligible to Vest Options)
Below Threshold	<80%	0%
Threshold	80%	70%
Target or above	100% or more	100%
Between Threshold and Target	Straight line interpolation between 80% to 100% performance. For example, at 90% performance, vesting to be 85% of Eligible Options	

**Period of Vesting:**

The minimum vesting period shall be 1 (one) year from the date of grant.

Unless otherwise specified in Letter of Grant, one-third of the total Options granted shall become Eligible to Vest on each anniversary of Grant Date for 3(Three) years. Subject to continuous employment, such Eligible Options shall Vest in accordance with the above performance criteria:

**e) Maximum period (subject to regulation 18(1) of SEBI Regulations) within which the Stock Options shall be vested**

The maximum vesting period under the Plan should not exceed 3 (Three) years from the date of grant.

**f) Exercise price**

The exercise price of grant shall be equal to the Face Value of the Equity Shares (i.e. Rs 5/-).

**g) Exercise period and the process of exercise**

The exercise period would commence from the date of vesting and will expire on completion of maximum exercise period of 3(Three) years from the date of respective vesting. The Options will be exercised by the Employees by a written application to the Plan Administrator of the Company in such manner and on execution of such documents, as may be prescribed by the Plan Administrator from time to time.

The Options will lapse if not exercised within the specified exercise period. The Option may also lapse under certain circumstances as determined by the Committee even before expiry of the specified exercise period.

**h) The appraisal process for determining the eligibility of the Employees for the Plan**

The appraisal process for determining the eligibility of the Employee will be determined by the Committee from time to time and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Committee from time to time.

**i) Maximum number of stock options to be issued per Employee and in aggregate under the Plan**

The maximum number of Options, that may be granted per Employee and in aggregate, pursuant to this Plan shall not exceed 18,13,000 Options, being 0.5% of the issued, subscribed and fully paid up equity share capital of the Company as on September 26, 2022.

**j) Maximum quantum of benefits to be provided per Employee**

Apart from grant of Performance Stock Options as stated above in item (a), no monetary benefits are contemplated under the PSOP 2022.

**k) Whether the Plan is to be implemented and administered directly by the Company or through a trust**

The Plan is proposed to be implemented and administered directly by the Company.

**l) Whether the Plan involves new issue of shares by the Company or secondary acquisition or both**

The Plan contemplates a new issue of equity shares by the Company.

**m) Amount of loan to be provided for implementation of the Plan(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.**

Not Applicable

**n) Maximum percentage of secondary acquisition that can be made by the Trust for the purpose of the Plan**

Not Applicable

**o) Disclosure and Accounting Policies**

The Company shall comply with the disclosure and accounting policies prescribed in Regulation 15 of SEBI Regulations and as applicable, from time to time.

**p) Method of valuation of stock option by the Company**

The Company shall use the Fair Value Method for valuation of the Options as prescribed under IND AS 102 or under any Accounting Standard, as applicable, notified by appropriate authorities from time to time.

**q) Period of lock-in**

The Shares allotted upon exercise of Options under the Plan are not subject to any lock in period.

**r) Certificate from Secretarial Auditors**

The Board of directors shall at each annual general meeting place before the Members a certificate from the secretarial auditors of the Company that the PSOP 2022 has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

**s) Terms & conditions for buyback, if any, of specified securities covered under these regulations**

Not Applicable

**t) Listing**

The shares allotted pursuant to the exercise of the stock options under PSOP 2022, shall be listed on BSE Limited and National Stock Exchange of India Limited.

A draft copy of the Plan is available for inspection at the Company's Registered Office during official hours on all working days till the last date of completion of the postal ballot.

None of the Directors including their relatives are interested or concerned in the above resolutions, except to the extent of Options proposed to be granted to them under the Plan.

Accordingly, your Directors recommend the passing of the Special Resolutions as specified in Item no. 1 and 2 of this Notice.

**Registered Office:**

Plot Nos. 801, 801/23,  
GIDC Estate, Phase III, Vapi-396 195,  
Dist. Valsad, Gujarat

**By order of the Board**

Sd/-  
**Raj Sarraf**  
Company Secretary  
ICSI M. NO. A15526

**Place :** Mumbai

**Date :** September 26, 2022