

CIN: L24110TG1987PLC007242

NOTICE OF POSTAL BALLOT TO THE EQUITY SHAREHOLDERS

(Notice Issued To Members In Accordance With Provisions of Section 110 of
The Companies Act, 2013)

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

To

The Members,

Notice is hereby given that pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the Resolution appended below is proposed to be passed as a special resolution by way of postal ballot / electronic voting. The Explanatory Statement, pursuant to Section 102 of the Act, pertaining to the said Resolution, setting out the material facts concerning the item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the "Form") for your consideration.

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the shareholders by way of a special resolution.

The Company proposes to sell / dispose off its assets consisting of manufacturing units situated at C-104, MIDC Industrial Area, Mahad Dist. Raigad, Maharashtra ("Mahad Facility") and Residential Building on the Residential plot RH-30, at Mahad, District Raigad, Maharashtra (the Mahad land on which the Mahad Facility and the residential building is hereinafter collectively referred to as "MIDC Land") to VN CREATIVE CHEMICALS PRIVATE LIMITED, Mumbai (VCCPL) or is nominees together with the right, title and interest in the leasehold rights with respect to the MIDC Land along all specified tangible and intangible assets in relation to the same (" Undertaking") (excluding the antacid business, raw materials, intermediate products and finished products and its brand and the

specific liabilities), for a consideration of not less than Rs. 14crores (Rupees Fourteen Crores).

The Company is therefore seeking your consent for the said proposals as contained in the Special Resolution appended below. An Explanatory Statement pertaining to the Resolution setting out all material facts and the reasons for which such Resolution is proposed is also annexed.

By order of the Board,

For Vasundhara Rasayans Limited,

Sd/-

Managing Director

Rajesh Pokerna

Din No: 00117365

Date: 30.03.2017

Place: Hyderabad

PROPOSED SPECIAL RESOLUTION

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / dispose off its assets consisting of manufacturing units situated at C-104, MIDC Industrial Area, Mahad Dist. Raigad, Maharashtra and Residential Building on the Residential plot RH-30, at Mahad, District Raigad, Maharashtra (“MIDC Land”) to VN CREATIVE CHEMICALS PRIVATE LIMITED, Mumbai (VCCPL) or its nominees together with the right, title and interest in the leasehold rights with respect to the MIDC Land along all specified tangible and intangible assets in relation to the same (“Undertaking”) (excluding the antacid business, raw materials, intermediate products and finished products and its brand and the specific liabilities), for a consideration of not less than Rs.14 crores (Rupees Fourteen Crores). on such terms and conditions as may be deemed fit by the board.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any

one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

Notes:

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102 of the Companies Act, 2013 ('the Act') setting out material facts are appended herein below.
2. In accordance with Clause 35B of Equity Listing Agreement entered into by the Company with Stock Exchanges wherein the Company's Equity Shares are listed and in terms of Section 110 of the Companies Act, 2013, and the Rules made thereunder, the Company has appointed Central Depository Securities (India) Limited (“CDSL”) as the Agency for electronic voting. Members who wish to vote electronically are advised to follow the detailed instructions given for e-voting as annexed to this Notice.
3. The Company has appointed Ms. Rakhi Agarwal, Practising Company Secretary (Membership No.7047), as the Scrutinizer for conducting the Postal Ballot Voting process in a fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the Members, in accordance with the Rules. You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on 19.05.2017.
4. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced on 20.05.2017 at 11.30 AM at the Registered Office of the Company at # Shed No. 42, Phase II, IDA, Mallapur Hyderabad TG-500076.
5. The results along with the Scrutinizer's Report will be immediately posted on the website of the company. The said date of declaration of the result of the Postal Ballot will be taken as the date of passing of the Resolution.

6. All documents referred to in the Notice and in the Statement referred to under Section 102(1) of the Companies Act, 2013, are open for inspection at the Registered Office of the Company at # Shed No. 42, Phase II, IDA, Mallapur Hyderabad TG-500076, during office hours on all working days between 09.30 AM and 05.30 PM.
7. The said Notice of Postal Ballot and Ballot Form have also been placed on the Company's website <http://www.vasundhararasayans.in/> for use by the Members.
8. The Notice is being sent to all the Members, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 07.04.2017.
9. The Company has appointed Ms. Rakhi Agarwal, Practising Company Secretary (Membership No.7047), as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
10. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed on the attached self-addressed and stamped Business Reply envelop. Unsigned Postal Ballot Form will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if sent by courier or post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given thereon. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5:00 pm on 19.05.2017 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The e-Voting module shall also be disabled for voting thereafter.
11. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.
12. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Board of Directors. The result of the postal ballot would be announced by a Director or the Company Secretary of the Company on 20.05.2017 at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz., <http://www.vasundhararasayans.in>
13. In compliance with the provisions of Section 102 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The instructions for e-voting are detailed hereinafter.
14. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiatives of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link or seek duplicate Postal Ballot Form from CIL Securities Limited, Reg. Off.: 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001, fill in the details and send the same to the Scrutinizer.
15. Kindly note that the Members can opt only one mode of voting, i.e. either by Physical Ballot or e-Voting. If you are opting for e-Voting, then do not vote by Physical Ballot also and vice versa. However, in case Members cast their vote by Physical Ballot and e-Voting, then voting done through e-voting shall prevail and voting done by postal ballot will be treated as invalid.
16. The result of the Postal Ballot shall be declared by the Chairman on 20.05.2017 at the Registered Office of the Company at 2.00 p.m. The resolution will be taken as passed effectively on the date of announcement of the result by the Chairman, if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution. The result of the Postal Ballot shall also be hosted on the website of the Company <http://www.vasundhararasayans.in>
17. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 11:00 hrs. to 13:00 hrs up to the date of declaration of the result of Postal Ballot.

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

Authorisation to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings U/S 180(1)(a) OF THE COMPANIES ACT, 2013:

Meaning, scope and implications of the material fact of item of business to enable members to take appropriate decision:

The units situated at C-104, MIDC Industrial Area, Mahad Dist. Raigad, Maharashtra ("Mahad Facility") is about 25 years old and the regulatory requirements of pharmaceutical business have been constantly getting stringent to the extent that all of them cannot be met by simple upgradation and would need a major change. This would need large investment and would also cause disruption of the business. Any disruption of supplies always has risk of losing market share to competitors.

In addition to the above geographically the Mahad Facility's location has lost its importance as when the units were put up 25 years back though it was away from the raw material sources but about 75% of the customer were in and around Mumbai, practically all of which have moved their manufacturing out of Mumbai and have spread across the country and hence the current location of the units is neither logistically situated close to raw material source nor close to customer.

In addition to this one of the units which was engaged in job work of organic intermediate with a aim of generation of the critical raw material for the other unit as by product is also not running from last 8 months as there has been a change in management and change in focus of business of the customer who was getting job worked done at the site. Due to this even the critical raw material which was generating in-house from last six years now has to be procured from long distance.

However, in light of the changing scenario the Mahad Facility is becoming outdated as well as uncompetitive.

Several initiatives such as launching of new products, new applications, pushing sales into territories which are still not that strict with regulatory requirements,

cost reduction etc. were taken in the past. However, things are not sustainable as the volume as well as turnover is not improving.

As the unit Mahad Facility is considered no longer viable, after considering various options the Board decided to sell the same in the overall best interest of all the stakeholders. The Board of Directors of the Company, at its meeting held on 30.03.2017 approved the Company to sell the assets consisting of manufacturing units situated at C-104, MIDC Industrial Area, Mahad Dist. Raigad, Maharashtra and Residential Building on the Residential plot RH-30, at Mahad, District Raigad, Maharashtra ("MIDC Land") to VN CREATIVE CHEMICALS PRIVATE LIMITED, Mumbai (VCCPL) or its nominees together with the right, title and interest in the leasehold rights with respect to the MIDC Land along all specified tangible and intangible assets in relation to the Undertaking (excluding the antacid business, raw materials, intermediate products and finished products and its brand and the specific liabilities), for a consideration of Rs. 14.00 crores (Rupees Fourteen Crores) on such terms and conditions as may be deemed fit by the Board .

The members may kindly be informed that as per the provisions of Companies Act, 1956, it required consent of the members as a Special Resolution for sale of the Undertaking, the provisions of Companies Act, 2013 stipulate consent of members by way of Special Resolution.

Hence, in order to remain in compliance with the relevant provisions, of sale of the Undertaking, which may be regarded as disposal of Company's undertakings within the meaning of Section 180(1)(a) of the Companies Act, 2013, consent of the members is hereby requested by way of proposed Special Resolution.

The Board of Directors of your Company has approved this item in the Board Meeting held on 30.03.2017 and recommends the Resolution set out in the accompanying notice for the approval of members of the Company as a Special Resolution. The Board of Directors accordingly recommends the resolution for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

By order of the Board

For Vasundhara Rasayans Limited,

Sd/-

Rajesh Pokerna

Managing Director

Date: 30.03.2017

Place: Hyderabad

Enc :

1. Resolution with Statement pursuant to Section 102(1) of the Companies Act, 2013 and
2. Postal Ballot Form and self-addressed prepaid business reply envelope.

VOTING IN PHYSICAL FORM

1. A member desiring to exercise voting right by postal ballot may complete the Postal Ballot Form and return the Form duly completed with the Assent (For) or Dissent (Against) in the attached Business Reply envelope so as to reach the Scrutinizer by Friday, 19.05.2017 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. Hence the members are requested to send the duly completed Postal Ballot Form well before Friday, 19.05.2017 being the last date for receipt of Postal Ballot Form by Scrutinizer, providing sufficient time for postal transit. The Postal Ballot Form(s) may be deposited personally at the Registered Office of the Company. The same should be sent in the name of Ms. Rakhi Agarwal, at Shed No. 42, Phase II, Ida, Mallapur Hyderabad TG-500076.
2. The Postal Ballot Form should be completed and signed by the member (as per the specimen registered with the RTA or furnished by the NSDL/CDSL, in respect of shares held in physical form or dematerialised form, respectively.
3. The votes should be cast either in favour or against the resolution by putting a tick mark (–) in the column provided for assent or dissent. Postal Ballot Form bearing tick mark in both the columns will render the Form invalid.
4. The Postal Ballot Form should be completed and signed by the Sole / First named member. In the absence of the first named member in a joint holding,

the Form may be completed and signed by the next named member. However, where the Form is sent separately by the first named member and the joint holder(s), the vote of the first named member will be valid.

5. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authority Letter, with signatures of the Authorised Signatory (ies), duly attested. Holders of Power of Attorney (“POA”) on behalf of the member may vote on the Postal Ballot mentioning the Registration No. of the POA and enclosing an attested copy of the POA.
6. Incomplete, unsigned or incorrectly filed Postal Ballot Forms will be subject to rejection by the Scrutinizer.
7. Members are requested to fill the Postal Ballot Form in indelible ink and not in erasable writing mode like a pencil.
8. Members are requested not to send any other matter along with the Postal Ballot Form in the enclosed self-addressed business reply envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.
9. A member neither necessarily needs to use all the votes nor needs to necessarily cast all the votes in the same manner.
A member seeking Duplicate Postal Ballot Form or having any grievance process can write to info@vasundhararasayans.in or write to the Company at its Registered Office:

Shed No. 42, Phase II, IDA, Mallapur Hyderabad TG-500076.

VOTING IN ELECTRONIC FORM

The procedure and instructions for the voting through electronics means are as follows:

- A.
 - i. In case a member, receives an email from CDSL [for members whose email IDs are registered with the Company/Depository Participant(s)]
 - ii. Open email and open PDF file viz., www.vasundhararasayans.in/postal_ballot.html with your DP ID & Client ID or Folio No. as Password. The said PDF file contains your User ID and Password for e-voting. Please note that the Password is an initial password.
 - iii. Launch the internet browser by typing the following URL: <https://www.evoting.cdsl.com>. Click on “Shareholder Login”.

- iii. Put User ID and Password as initial Password noted in step (i) above. Click Login. If you are already registered with CDSL for e-voting then you can use your existing User ID and Password for Login.
- iv. If you are logging in for the first time, Password change menu appears. Change the Password with new Password of your choice with minimum 8 digits/characters or combination thereof. Please note the new Password for all the future e-voting cycles offered on CDSL e-voting platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. Home page of “e-voting” opens. Click on “e-Voting”: Active Voting Cycles.
- vi. Select “EVEN (E-Voting Event Number)” of Vasundhara Rasayans Limited. For an EVEN, you can login any number of times on e-voting platform of CDSL till you have voted on the resolution or till the end of voting period i.e. upto close of Friday 19.05.2017 whichever is earlier.
- vii. Now you are ready for “e-voting” as “Cast Vote” page opens.
- viii. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted. Kindly note that vote once cast cannot be modified.
- ix. Upon confirmation, the message “Vote cast successfully” will be displayed
- x. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rakhiagarwal79@yahoo.com with a copy marked to evoting@cdsl.co.in.

B.

In case a Member receiving the Postal Ballot Form by Post [for members whose email IDs are not registered with the Company/

Depository Participant(s) or requesting physical copy] may also vote electronically through the following procedure:

(i) Initial password will be provided separately EVEN (E Voting Event Number) USER ID and PASSWORD

(ii) Please follow all steps from SI. No. A(ii) to SI. No. A(x) above, to cast your vote.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for members available at the Downloads section of www.evoting.cdsl.com.