



# Divi's Laboratories Limited

Regd Off.: Divi Towers, 7-1-77/E/1/303, Dharam Karan Road, Ameerpet, Hyderabad – 500 016 India  
CIN: L24110TG1990PLC011854; Tel: 91-40-23786300, Fax: 91-40-23786460,  
E-mail :mail@divislaboratories.com, Website: www.divislaboratories.com

## POSTAL BALLOT NOTICE

Dear Member,

### **Notice pursuant to Section 110 of the Companies Act, 2013**

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the “**Act**”), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the resolutions appended below are proposed to be passed by way of postal ballot / e-voting:

1. Increase in Authorised Share Capital of the company and consequent alteration of Capital Clause of Memorandum of Association.
2. Approval for Issue of Bonus shares.

The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a postal ballot form (the “**Form**”) for your consideration. The Board of Directors of the Company (the “**Board**”) has appointed Mr. V Bhaskara Rao, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) in the Form 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 September 12, 2015.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions in the Notes under the section “Process for e-voting” in this Notice. References to Postal Ballot(s) in this notice include votes received electronically.

#### **Item no. 1 - Increase in Authorised Share Capital of the Company and consequent alteration of Capital Clause of Memorandum of Association**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the consent of the members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from Rs.30,00,00,000 (Rupees Thirty Crores only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 2 (Rupees Two only) each to Rs.60,00,00,000 (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs.2 (Rupees Two only) each and that the existing Clauses V(a), V(b) and V(c) of the Memorandum of Association of the Company be replaced with the following new Clause V:

“V. The Authorised Share Capital of the Company is Rs.60,00,00,000 (Rupees Sixty Crores only) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs. 2 (Rupees Two only) each.

*The Company has power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.”*

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee constituted by the Board or any person(s) authorised by the Board in this regard) be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

## **Item no. 2 - Approval for the issue of Bonus Shares**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION** :

“RESOLVED THAT pursuant to the Articles of Association of the Company and Section 63 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, other applicable statutes and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and/or sanctions as may be required from the appropriate authorities, institutions or bodies (hereinafter collectively referred to as the “Concerned Authorities”) and subject to fulfillment of such conditions, if any, as may be required to be fulfilled in obtaining, or as may be stipulated by the Concerned Authorities from time to time in granting, any such approvals, consents, permissions or sanctions, the consent of the members of the Company be and is hereby accorded for capitalization of such sum standing to the credit of Securities Premium Account and/ or General Reserves of the Company, as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee constituted by the Board or any person(s) authorised by the Board in this regard), for the purpose of issue of fully paid up bonus shares of Rs. 2/- (Rupees Two only) each in the proportion of one (1) equity share for every one (1) equity share held by the members of the Company whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited, on such date as may be fixed in this regard by the Board.

RESOLVED FURTHER THAT the new equity shares shall be allotted subject to the Memorandum and Articles of the Association of the company and shall rank pari-passu, in all respects, with the existing fully paid shares of the company, with a right, if the Board so determines, to participate in full in dividend to be declared after the date of allotment of these shares.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the bonus shares and that the issue of certificate(s) in respect of bonus shares shall be completed and thereafter be dispatched to the allottees thereof within the period prescribed or that may be prescribed on this behalf, from time to time, except for those allottees who hold shares in dematerialized form, in respect of whom the bonus shares will be credited to their respective demat accounts.

RESOLVED FURTHER THAT the issue and allotment of the said bonus shares to the extent they relate to Non-Resident Indians (NRIs), Persons of Indian Origin (PIO) / Overseas Corporate Bodies (OCBs) and other foreign investors of the Company will be subject to the approval of the Reserve Bank of India (RBI), as may be necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as may be required and as it may in its sole and absolute discretion deem necessary, expedient or incidental in regard to issue of bonus shares, including without limitation, filing of any documents with the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed, Depositories, Ministry of Corporate Affairs and/ or Concerned Authorities, applying and seeking necessary listing approvals from the Stock Exchanges, and to settle any question, difficulty or doubt that may arise in regard thereto.”

For and on behalf of the  
Board of Directors

Place : Hyderabad  
Date : 08.08.2015

**Dr. Murali K. Divi**  
Chairman & Managing Director

## NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all material facts of the businesses specified above is annexed hereto.
2. Only a shareholder who is entitled to vote is entitled to exercise his / her vote through Postal Ballot.
3. The Board has appointed Mr. V Bhaskara Rao, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. Notice is being dispatched to the members by post (and electronically by e-mail to those members who have registered their e-mail IDs with the Company/depositories), whose names appear in the Register of Members / list of Beneficial Owners received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on August 7, 2015.
5. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed and signed in the attached self-addressed, postage prepaid business reply envelope, so as to reach the Scrutinizer not later than close of working hours i.e. 5.00 pm on September 12, 2015. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted.
6. In compliance with Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Clause 35B of the Listing Agreement, Divi's Laboratories Limited ("the Company") is pleased to provide e-voting facility to the shareholders, to enable them to cast their vote electronically instead of dispatching the Postal Ballot Form by post. The Company has engaged services of M/s. Karvy Computershare Private Limited for providing e-voting facility to all its members. **Please note that each Member can opt for only one mode of voting i.e., either by Physical Ballot or by E-Voting.** However, in case members cast their votes through both modes, then voting done by e-voting shall prevail and voting cast through physical ballot form shall be treated as invalid.

### Process for e-voting :

#### A. Members who received the notice through e-mail from Karvy :

1. Launch internet browser by typing the following URL: <http://evoting.karvy.com>.
2. Enter the login credentials (i.e., User ID and password mentioned in your email/ Form). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.'

	Details
User-id	For Members holding shares in Demat form : a. For NSDL: 8 character DP ID followed by 8 digit Client ID b. For CDSL: 16 digit Beneficiary ID/Client ID For Members holding shares in Physical form : Even No.(EVEN) as given in Form followed by Folio No. registered with the Company.
Password	Your unique password as contained in the e-mail / Postal Ballot Form.

3. After entering these details appropriately, Click on "LOGIN".
4. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
5. After changing password, you need to login again with the new credentials.
6. On successful login, the system will prompt you to select the "EVENT" i.e. Divi's Laboratories Limited.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
8. You may then cast your vote by selecting an appropriate option and click on "Submit", a confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.
9. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: [bhaskararaoandco@gmail.com](mailto:bhaskararaoandco@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVEN No."

**B. In case of Members receiving Notice by Post :**

1. Please use the User ID and initial password as provided in the Form.
2. Please follow all steps from Sr.No. 1 to 9 as mentioned in (A) above, to cast your vote.

**C.** The e-voting period commences on August 14, 2015 at 9.00 A.M. and ends on September 12, 2015 at 5.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website.

7. Members who have received Postal Ballot notice by e-mail and who wish to vote through ballot form can obtain the ballot form from the Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or from the Company at the registered office and fill in the details and send the same to the Scrutinizer by post.
8. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman or Company Secretary of the Company. The result of the Postal Ballot will be declared on September 14, 2015 at the Registered office of the Company. The result will be announced to the Stock Exchanges where shares of the Company are listed and will also be displayed on the Company's website [www.divislaboratories.com](http://www.divislaboratories.com). In the event, the draft resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution.
9. Members are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.
10. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the company between 11:00 a.m. to 3:00 p.m. on all working days.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to Resolution Nos. 1 & 2.**

**Item No. 1 & 2**

On the eve of 25<sup>th</sup> year of formation of the Company, the Board of Directors in its meeting held on August 8, 2015 considered, approved and recommended a bonus issue of one equity share for every one equity share held as on the 'record date' to be determined by the Board by capitalizing a part of the amount standing to the credit of Securities Premium Account and/or General Reserves of the Company.

The current Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees Thirty crores only) divided into 15,00,00,000 (fifteen crores) equity shares of Rs.2 (Rupees two only) each. The issue of bonus shares as aforesaid would require increase in the Authorised Share Capital of the Company and consequential alteration to the Capital Clause of the Memorandum of Association of the Company. The Board of Directors proposed to increase the Authorised Share Capital to Rs.60,00,00,000 (Rupees sixty crores only) divided into 30,00,00,000 (thirty crores) equity shares of Rs.2 (Rupees two only) each.

It is proposed to authorize the Board to take all necessary actions and to complete all the regulatory formalities in this regard. Pursuant to the provisions of Sections 13, 61, 63 and other applicable provisions of the Companies Act, 2013, the increase in the Authorised Share Capital, alteration of the Capital Clause of the Memorandum of Association and issue of bonus shares of the Company require approval of the members. Further, in terms of the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the approval of the members may be taken through Postal Ballot instead of transacting such businesses at a General Meeting.

Accordingly, the Board recommends the resolution set forth in Item No. 1 & 2 to be passed as Special Resolutions by the members through Postal Ballot.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 1 & 2 of this Notice except to the extent of their shareholding in the Company.

For and on behalf of the  
Board of Directors

Place : Hyderabad  
Date : 08.08.2015

**Dr. Murali K. Divi**  
Chairman & Managing Director