Lyka Labs Limited

Healthcare through Innovation

CIN. L24230GJ1976PLC008738

July 16, 2014

The Manager
Listing Department
The National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

Dear Sir/Madam,

Script Code : lykalabs

Sub : Postal Ballot Notice

We attach herewith Postal Ballot Notice together with an Explanatory Statement and Ballot Paper for seeking assent/dissent of members under provision of Section 180(1)(a) of the Companies Act, 2013 to sale of manufacturing facilities of formulations at Tarapur, Maharashtra for your information and record.

Thanking you,

Yours faithfully,
For LYKA LABS LIMITED

P. G. HINDIA
COMPANY SECRETARY

Encl : as above

LYKA LABS LIMITED

Regd. Office : 4801/B & 4802/A, GIDC Industrial Estate, Ankleshwar – 393 002

Admin .Office : 101, Shiv Shakti Industrial Estate, Andheri Kurla Road, Andheri (E), Mumbai 400 059.

NOTICE OF POSTAL BALLOT

Dear Member(s),

NOTICE is hereby given that pursuant to Section 110 of the Companies Act, 2013 read with Sub Rule 16(i) of Rule 22 of Companies Management and Administration Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members is required by passing a Special Resolution under provisions of Section 180(1)(a) of the Companies Act, 2013 (hereinafter referred to as"The Act"). by way of Postal Ballot for sale of Manufacturing Facilities for formulations at Tarapur, Maharashtra along with all manufacturing rights/approvals attached to the manufacturing facility.

The proposed Special Resolution and the Statement of material facts and reasons thereof are being sent to you along with a Postal Ballot Form for your consideration.

The Members are requested to read the instructions printed in the Postal Ballot Form carefully and to send the form duly completed and signed, in the enclosed postage pre-paid Self-addressed envelope so as to reach the Scrutinizer on or before the close of working hours on 19th August 2014.

The Scrutinizer will submit his report to the Chairman & Managing Director of the Company after completion of the scrutiny of the Postal Ballots and the result thereof will be declared on 23rd August,2014 at 12.30 P.M at the Registered Office of the Company at.4801/B & 4802/ A G.I.D.C Industrial Estate,Ankleshwar-393 002. Members who wish to be present at the time of declaration of results may do so at the above venue at the appointed time and the same will be published in the newspapers. The date of declaration of the result shall be deemed to be the date of passing of the said resolution.

The Board of Directors has appointed Mr. Apoorva Bookseller- Propreitor of M/s-Bookseller & Associates-Practising Chartered Accountant, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

DRAFT SPECIAL RESOLUTION :

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, and Memorandum and Articles of Association of the Company and subject to other approvals, consents, permissions and sanctions as may be required from the concerned statutory / regulatory authorities and subject to such terms and conditions as may be imposed by them, if any, consent of the Company, be and is, hereby accorded to the Board of Directors of the Company (the "Board", which expression shall include any committee thereof) to sell, transfer and dispose of the Company's Manufacturing facilities for formulations at Tarapur, Maharashtra, including land, building, plant & machineries, furnitures and fixtures, electrical installations and all manufacturing rights/approvals attached to the manufacruting facility as well as non compete rights, if any for a consideration not less than Rs.36 crores subject to mutual negotiations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions in respect thereof, determining the effective date, finalizing and executing necessary documents, including contracts, schemes, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities wherever applicable and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is, hereby authorised to delegate all or any of the powers herein conferred, to any Director and/or Company Secretary and/or Chief Financial Officer of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions as and when taken by the Board and by any of the authorised officials of the Company by virtue of the above in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.**"**

By Order of the Board
For LYKA LABS LIMITED

Mumbai,
Dated: 14th day, July 2014.

P.G.Hindia
COMPANY SECRETARY

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 and the reasons/purpose for passing the special resolution under Section 180(1)(a) of the Companies Act, 2013.

The Company has manufacturing facilities for formulation at Tarapur, Maharashtra manufacturing Tablets & Granules. The operation of manufacturing facilities was closed for about 2 years during 2011 - 2013 for the purpose of modernization to meet the requirements of WHO GMP and regulated market like EU GMP certification. The manufacturing facility has restarted its Commercial Production in the month of March, 2013 but due to pending approvals/Licences from relevant Authorities,it was operating at very low capacity. Further, manufacturing products for Domestic Market is not viable since it is not possible to compete with Factories located in Tax Free Zones, hence the Company has to depened on Exports of finished formulations, which is possible only after the products are registered with Registering Authorities of respective countries, which would take any time between 12 months to 24 months.

The Board of Directors at its meeting held on 14th July, 2014 considered that it would take substantial time to run the Manufacturing facility at Tarapur, Maharashtra at a fuller capacity and till that time the Company has to bear substantial recurring cost. As a result, the contribution from this Manufacturing facility would not be adequate enough to cover the operating cost and therefore would not contribute to the profitability of the Company. It would be therefore desireable to sell the manufacturing facilities for formualtions at Tarapur, Maharashtra which would be in the interest of the Company as it would save the recurring and fixed cost of the manufacturing facilities and improve the cash flow. Further, the realisation of the sale of this facilities would enable the Company to partly meet payment of debt securities and partly to be utilized to reinforce Working Capital requirements as well as to meet the Capital Expenditure requirement of the Company. Subsequently it would reduce the interest cost of the debts and improve the profitability of the Company.

The Total Sale consideration of manufacturing facilities for formulations at Tarapur, Maharashtra including land, bulding, manufacturing facility & machineries, furniture and fixtures, electrical installations and all manufacturing rights/approvals attached to the manufacturing facility as well as non compete fees (if any) would not be less than Rs.36 crores subject to mutual negotiations.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the sale, transfer or disposal of whole or substantially the whole of an undertaking of the Company would require approval of the Members by a Special Resolution.

The approval of the Members is sought by passing the Special Resolution as set out in the above Notice through Postal Ballot in terms of the provision of Section 110 of the Companies Act, 2013 read with Sub Rule 16(i) of Rule 22 of Companies Management and Administration Rules, 2014.

The Board is of the opinion that the passing of aforesaid Resolution is in the best interest of the Company and hence, commends the Special Resolution for your approval.

None of the other Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

By Order of the Board
For LYKA LABS LIMITED

Mumbai,
Dated: 14th day, July, 2014

P.G.Hindia
COMPANY SECRETARY

LYKA LABS LIMITED

Regd. Office : 4801/B & 4802/A G.I.D.C. Industrial Estate, Ankleshwar 393 002
Admin Office : 101, Shiv Shakti Industrial Estate, Sir. M. V. Road, Andheri East, Mumbai – 400 059.

POSTAL BALLOT FORM

Serial No. _____

1. Name & Registered Address of the sole/ first named Member/ Beneficial Owner :

2. Name(s) of the joint holder(s), (if any) :

3. Registered Folio No./ Client ID/ DP ID No.*: *(Applicable to Members holding shares in dematerialised form) :

4. Number of shares held :

5. I/We hereby exercise my/our vote(s) in respect of the Special Resolution to be passed through postal ballot for the business stated in the Notice of the Company dated 14th July,2014 by sending my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below.

Description	**No. of shares held**	**I/We assent to the Resolution (For)**	**I/We dissent to the Resolution (Against)**
Special Resolution u/s 180(1)(a) of the Companies Act, 2013 to authorise the Board of Directors of the Company to sell, transfer, dispose off the Industrial Undertaking of the company situated at Tarapur.			

Place:
Date:

_____
(Signature of the Member)

NOTE: FOR INSTRUCTIONS, PLEASE SEE OVERLEAF

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope.
2. Please convey your assent/dissent in the Ballot Paper attached herewith. The consent or otherwise received in any other form shall not be considered valid.
3. The self-addressed postage pre-paid envelope is addressed in the name of Scrutinizer as appointed by the Board of Directors of the Company.
4. This form should be completed and signed by the member. In case of joint holding, this form should be completed and signed by the first member and in his absence, by the next member (as per the specimen signature registered with the Company).
5. Postal Ballot cannot be exercised by a proxy
6. Unsigned Postal Ballot Form will be rejected.
7. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on 19th August, 2014. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
8. A member may request in writing to the Company at its Administrative office at Mumbai for a duplicate Ballot Paper, if so required, and the same duly completed should reach the Scrutinizer not later than the date and time specified at item 7 above.
9. Where the Postal Ballot Form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization should accompany the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form. A Member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
10. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders.
11. Members are requested not to send any other paper along with the Postal Ballot forms in the enclosed self-addressed Postage Prepaid Envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in the envelopes would be destroyed by the Scrutinizer without having regard to its contents.
12. The Scrutinizer's decision on the validity of a Postal Ballot will be final.