



Lyka Labs Limited

Regd Office : 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar-393 002

NOTICE

Notice is hereby given that an Extra Ordinary General Meeting of the members of LYKA LABS LTD will be held at its Registered Office at 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar – 393 002, Gujarat on Monday, 28th day of April, 2014 at 12.45 pm to transact the following business :

SPECIAL BUSINESS :

1.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 372 A of the Companies Act, 1956 and corresponding Section 186 and any other provisions of the Companies Act, 2013 whenever applicable and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulations, alterations, and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of directors of the Company (hereinafter referred to as the ‘Board’ which expression shall include a Committee of directors duly authorized in this behalf) the consent of the Company be and is hereby accorded to the Board of Directors of the Company to make further investments in 35,00,000 Equity Shares of Lyka Exports Ltd of ₹ 10/- each at a premium of ₹ 25/- per share aggregating to ₹ 12,25,00,000 (Rupees Twelve Crore Twenty Five Lacs) which together with existing loans given, investment made, Guarantee and securities provided are in excess of the 60% of the aggregate of the paid-up share capital and free reserves or 100% of the aggregate of free reserves of the Company whichever is higher.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution”.

By Order of the Board of Directors

Place : Mumbai
Date : 28th March, 2014

P. G. HINDIA
COMPANY SECRETARY

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be deposited with the Company not less than 48 hours before the Meeting.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business is annexed hereto.
4. Members / proxies are requested to bring duly filled in and signed Attendance Slip along with their copy of Notice.

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

Item No. 1.

The Company is one of the Promoter Company of Lyka Exports Ltd and presently holds 48% of its Issued and Paid up Share Capital. Lyka Exports is a leading player in the Indian Veterinary Industry with more than 75 products – *Antibiotics, Antiprotozoal, Probiotics, NSAID, Anthelmintic, Poultry Feed, Endectocide, Generic products & Diagnostic* with a strong back up of well experienced 120 Marketing Representatives. It has recently launched the "Generic Division" and also started exporting products to Nepal & Myanmar and is in the process of registering products in Sri Lanka and Bangladesh. In view of the increasing demand for the products and the prospects for the Export Markets, the sales growth of the Company is estimated to increase by 60% during 2013-14 and @ 20% - 25% p.a. thereafter.

Based on future Cash flow projections and prospective avenues of the Lyka Exports Ltd, the valuation of their shares is valued @ ₹ 35/- per share by Independent Chartered Accountant.

Lyka Exports Ltd has outstanding dues of appx. ₹ 17.5 Cr payable to the Company. They made a proposal to the Company offering issue of further Equity shares of ₹ 10/- each at premium of ₹ 25/- per share, the subscription monies payable on these shares will be adjusted against part amount of outstanding dues recoverable from Lyka Exports Ltd. Considering the future prospects of Lyka Exports Ltd, the Board considered reasonable and expedient to make investment in shares of Lyka Exports Ltd. and decided to make further investment in 35,00,000 Equity Shares of ₹ 10/- each at price of ₹ 35/- per share which would adjust the partly outstanding dues of Rs 12.25 Cr and the balance amount of outstanding dues would be payable by Lyka Exports Ltd.

Consequent to the proposed investment in the shares of Lyka Exports Ltd, the stake of Lyka Labs would increase from existing 48% to 72.80%. as result, Lyka Exports Ltd would become a Subsidiary Company. This would improve the Consolidated Sales and Profitability of Lyka Labs Ltd.

Since the proposed investment in the shares of Lyka Exports Ltd together with the existing investments made, Loans given, Guarantee given and Security Provided by the Company would exceed the Limit available under the Provisions of Section 372 A of the Companies Act, 1956 and corresponding Section 186 of the Companies Act, 2013 whenever applicable, the Company would be required to obtain consent of the Shareholders by passing Special Resolution in the General Meeting for making proposed investment in shares of Lyka Exports Ltd. A Special Resolution is therefore proposed in the Notice for seeking approval of the Shareholders.

None of the Directors except Shri. N. I. Gandhi who is also a Director in Lyka Exports Limited is considered as interested Director in passing of the above Resolution.

A Valuation Report dated 5th February, 2014 for valuation of shares of Lyka Exports Limited made by M/s. Jayesh Dadia and Associates, Chartered Accountants will be available for inspection at the time of the meeting.

By Order of the Board of Directors

Place : Mumbai
Date : 28th March, 2014

P. G. HINDIA
COMPANY SECRETARY