



TTK HEALTHCARE LIMITED

Regd. Office: No.6, Cathedral Road, Chennai 600 086
Tel: 91-44-28116108-10 Website: www.ttkhealthcare.com

Dear Member(s)

Notice for Postal Ballot pursuant to Section 192A (2) of the Companies Act, 1956

As per the provisions of Section 77A of the Companies Act, 1956, Buy-back of Equity Shares by utilizing upto 25% of the Paid-up Capital and Free Reserves of the Company requires the approval of the Members by way of a Special Resolution.

Your Company proposes to Buy-back Equity Shares as detailed in the Special Resolution below. The Board of Directors of the Company at their meeting held on 25th July, 2008 approved the proposal for Buy-back.

Article 22A of the Articles of Association of the Company permits the Company to Buy-back its own shares.

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, for the consent of the Members of the Company for the proposed resolution set out below, which consent is sought to be obtained by means of Postal Ballot. The explanatory statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration. The Board of Directors has appointed Mr R Balasubramaniam, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self-addressed envelope (Postage will be borne and paid by the Company), so as to reach the Scrutinizer before the close of working hours on 15th September, 2008. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced by the Chairman or any one of the Directors of the Company, at 11.30 a.m. on Friday, the 19th September, 2008 at the Registered Office of the Company at No.6, Cathedral Road, Chennai 600 086. The result of the Postal Ballot will also be posted on the Company's website www.ttkhealthcare.com besides communication to the Stock Exchanges where the Company's shares are listed. Shareholders, who wish to be present at the time of declaration of results, may do so at the above venue.

DRAFT SPECIAL RESOLUTION

To consider and, if thought fit, give assent / dissent to the following Resolution as a **Special Resolution** through Postal Ballot :

"RESOLVED THAT pursuant to the resolution by the Board of Directors of the Company on 25th July, 2008, the provisions of Article 22A of the Articles of Association of the Company and in accordance with the provisions of Section 77A, 77AA and 77B and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and the provisions of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 ('the Buy-back Regulations') for the time being in force including any statutory modification(s) or re-enactments thereto and the provisions of the listing agreement that has been executed by the Company with the Stock Exchanges on which the shares of the Company are listed and also subject to the approvals, permissions and sanctions of Securities and Exchange Board of India (SEBI) and / or other authorities, institutions or bodies ('the appropriate authorities') as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by them while granting such approvals, permissions and sanctions and as may be acceptable to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to Buy-back from the shareholders of the Company, the fully Paid-up Equity Shares of the Company of the face value of Rs.10/- each upto a limit of 25% of the total Paid-up Capital and Free Reserves of the Company and not exceeding 25% of the total Paid-up Equity Capital in a financial year at a maximum price of Rs.120/- per Equity Share;

RESOLVED FURTHER THAT the Board be and is hereby authorized to implement the Buy-back of the fully Paid-up Equity Shares of the Company by the open market purchases through the Bombay Stock Exchange Limited ("BSE") using their electronic trading facilities within a period of 12 months from the date of declaring results of this Postal Ballot;

RESOLVED FURTHER THAT the Board be and is hereby authorized to invest a sum not exceeding 25% of the Paid-up Capital and Free Reserves of the Company as per the audited Balance Sheet as at 31st March, 2008 (i.e. Rs.1106.47 lakhs) towards the said Buy-back of the fully Paid-up Equity Shares of the Company and not exceeding 25% of the total Paid-up Equity Capital in a financial year and that the funds required for the said Buy-back be drawn out of the Free Reserves of the Company as provided under the Act;

RESOLVED FURTHER THAT within the limits of 25% of the Paid-up Capital and Free Reserves of the Company as at 31st March, 2008 and 25% of the total Paid-up Equity Capital in a financial year, at a maximum price of Rs.120/- per Equity Share stipulated as aforesaid, the Board be and is hereby authorized to determine the amount to be utilized towards the Buy-back including the number of Equity Shares to be bought back and the time frame thereof;

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer and/or any obligation on the part of the Company or the Board to Buy-back any shares and/or impair any power of the Company or the Board to terminate any process in relation to Buy-back, if so permissible by law;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper with regard to the implementation of the Buy-back including –

- a. the appointment of Merchant Banker(s), Brokers, Solicitors, Registrars, Advertisement Agency, Investor Service Centers and other Advisors, Consultants, Representatives, etc.;
- b. the making of all applications to the appropriate authorities for their requisite approvals;
- c. the initiating of all necessary actions for preparation, finalization and issue of Public Announcement to be issued in connection with the Buy-back of the fully Paid-up Equity Shares;
- d. the filing of Public Announcement and/or any other document with SEBI/Stock Exchanges / the Registrar of Companies concerned and/or other authorities and also the certificates for Declaration of Solvency and for extinguishments and physical destruction of share certificates in respect of the shares bought back and all other documents required to be filed in the above connection; and
- e. the settling of all such questions or difficulties or doubts whatsoever which may arise in connection with the Buy-back so as to take all such steps and decisions in this regard".

**By order of the Board
For TTK Healthcare Limited**

Place : Bangalore
Date : 25th July , 2008

**S KALYANARAMAN
COMPANY SECRETARY**

Registered Office:

**No.6, Cathedral Road
Chennai 600 086**

NOTES:

- a. The Explanatory Statement setting out all material facts as required under Section 173 of the Companies Act, 1956 in respect of special business of the Company is appended and forms part of the Notice.
- b. The resolution, if assented to by the requisite majority, shall be taken as passed on 19th September, 2008.
- c. A Postal Ballot along with self-addressed envelope (Postage will be borne and paid by the Company) is sent herewith. The Members are requested to indicate their assent or dissent about the aforesaid business in the Postal Ballot and return the same to the Scrutinizer before the close of working hours on 15th September, 2008. Postal Ballot forms received after this date will be strictly treated as if the reply from that member has not been received.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 and 192A of the Companies Act, 1956

As per requirements of Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Special Resolution on Buy-back of Company's Equity Shares.

1. The Company has thought it appropriate for a reduction in the Share Capital of the Company, by way of Buy-back of the fully Paid-up Equity Shares of the Company.
2. The proposed Buy-back is aimed at creating better long-term shareholder value in the future and enhancing the return on equity, earnings per share and book value of the Company. While the Buy-back would result in return of capital to the shareholders, the Board has taken care to see that the Company's capital expenditure programme is not hampered, consequent to the reduction in the funds available to the Company. The proposed Buy-back is also a reflection of the confidence of the Management in the future growth prospects of the Company.
3. Accordingly, the Board of Directors of the Company, at its meeting held on 25th July, 2008, approved the proposal to Buy-back the fully Paid-up Equity Shares of Rs.10/- each (hereinafter referred to as 'the Buy-back') in accordance with the provisions contained in Article 22A of the Articles of Association of the Company and also subject to the provisions of Section 77A, 77AA and 77B and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), the provisions of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 ('the Buy-back Regulations') and the provisions of the listing agreement that has been executed by the Company with the Stock Exchanges on which the shares of the Company are listed. The Company would implement the Buy-back of its fully Paid-up Equity Shares by open market purchases through the Bombay Stock Exchange Limited ("BSE") using their electronic trading facilities.
4. The shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and Madras Stock Exchange Limited, Chennai.
5. There will be no negotiated deals on the stock exchanges, spot transactions or any private arrangements in the implementation of the Buy-back.
6. The Equity Shares of the Company are proposed to be bought back at a maximum price of Rs.120/- per Equity Share.
7. The said price has been arrived at after considering various factors including but not limited to the book value, market value of the share on the stock exchanges and the possible impact of Buy-back on the earnings per share.
8. The aggregate Paid-up Capital and Free Reserves of the Company as at 31st March, 2008 is Rs. 4425.86 lakhs. Under the provisions of the Act, the funds deployed on Buy-back shall not exceed 25% of the Paid-up Capital and Free Reserves of the Company which

is Rs.1106.47 lakhs. Further, under the Act, the number of shares bought back shall not exceed 25% of the Paid-up Equity Capital in a financial year, which is not exceeding 20,27,603 Equity Shares. If all Equity Shares were bought back at a maximum price, then 9,22,054 shares can be bought back. If the average price of the Buy-back is lower, then the number of shares bought back would increase. Hence there is no specific minimum or maximum number of shares that the Company proposes to Buy-back. The actual number of Equity Shares to be bought back would depend on the average price paid for the shares bought back.

9. The funds required for the Buy-back will be drawn out of the Free Reserves of the Company. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the Share Capital and Free Reserves after the Buy-back.
10. It is being clarified that the resolution providing for a maximum price of Rs.120 per Equity Share does not indicate that the Company will buy or is obliged to buy or continue to buy shares so long as the price is below Rs.120. Similarly, the fact that the resolution indicates the maximum aggregate purchase price of Rs.1106.47 lakhs and the maximum aggregate number of shares as 25% of the total Paid-up Equity Capital does not indicate that the Company will utilize or is obliged to utilize the entire amount of Rs.1106.47 lakhs in the Buy-back or that the Company will buy or is obliged to buy all the said 25% of the Equity Shares.
11. The aggregate shareholding of the Promoters and of the Persons who are in control of the Company as on the date hereof is 50,61,000 Equity Shares constituting 62.65% of the Issued and Paid-up Share Capital of the Company.
12. Save and except the acquisition / sale of Equity Shares of the Company as given below, no shares were either purchased or sold by the persons mentioned in the preceding paragraph during the six-month period preceding the date of the Board Meeting approving the Buy-back and from that date to the date hereof.

Total Quantity purchased by Promoters/ Persons in Control	Max Price (Rs. per share)	Date of Max Price	Min Price (Rs. per share)	Date of Min Price
NIL	N.A.	N.A.	N.A.	N.A.
Total Quantity sold by Promoters / Persons in Control	Max Price (Rs. per share)	Date of Max Price	Min Price (Rs. per share)	Date of Min Price
NIL	N.A.	N.A.	N.A.	N.A.

13. The Promoters do not intend to tender their shares to the Company for Buy-back.
14. As per the provisions of the Act, the Special Resolution passed by the shareholders approving the Buy-back will be valid for a maximum period of twelve months from the date of its passing. The Board will determine the time-frame for the Buy-back within this validity period.
15. As per the provisions of the Act, the shares bought back by the Company will compulsorily be cancelled and will not be held for reissuing at a later date.
16. As per the provisions of Section 77A (8) of the Act, the Company will not be allowed to issue fresh Equity Shares or other specified securities within a period of 6 months after the completion of Buy-back except by way of bonus shares or shares issued in discharge of subsisting obligations such as conversion of warrants, stock option scheme, sweat equity or conversion of preference shares or debentures into Equity Shares.
17. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
18. The Company confirms that there is no ongoing scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 1956.
19. The Board confirms that it has made the necessary and full inquiry into the affairs and prospects of the Company and has formed the opinion that –
 - a. immediately following the date on which the results of the postal ballot would be declared, there will be no grounds on which the Company could be found unable to pay its debts;
 - b. as regards its prospects for the year immediately following the date on which the results of the postal ballot would be declared, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and
 - c. in forming its opinion for the above purposes, the Board has taken into account the liabilities, including prospective and contingent liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956.
20. The text of the Report dated 25th July, 2008 received from M/s.Aiyar & Co. & M/s.S.Vishwanathan, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below :

"We have been informed that the Board of Directors in their meeting held on 25th July, 2008 has decided to Buy-back the Company's Equity Shares as allowed under Section 77A of the Companies Act, 1956 and in this connection, we confirm as under :

 - a. We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended 31st March, 2008, unaudited results for the Quarter ended 30th June, 2008 and the projections for the year 2008-09 approved by the Board of Directors.

- b. The amount of permissible capital payment towards Buy-back of Equity Shares (including premium) in question, as ascertained below, has been properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956:

	(Rs. In lakhs)
Share Capital as on 31 st March, 2008 (81,10,414 Equity Shares of Rs.10/- each fully Paid-up)	811.04
Free Reserves as on 31 st March, 2008	3614.82
Total	4425.86
Maximum amount permitted for Buy-back i.e. 25% of total Paid-up Capital and Free Reserves	1106.47

- c. Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that -

The Board of Directors, in their meeting held on 25th July, 2008, formed their opinion, as specified in Clause (x) of Schedule I of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, on reasonable grounds and the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of declaration of results of the postal ballot."

21. All the material documents referred to in the Explanatory Statement such as the Memorandum and Articles of Association, relevant Board Resolution for Buy-back of shares and the Auditors' Report on their enquiry into the state of affairs of the Company will be made available for inspection by shareholders at the Registered Office of the Company at No.6, Cathedral Road, Chennai 600 086 between 10.00 a.m. and 5.00 p.m. on all working days upto 15th September, 2008.
22. The Board has appointed Mr R Balasubramaniam, Practising Company Secretary, as the Scrutinizer for conducting the postal ballot voting process. The Members are requested to return the postal ballot form in the self-addressed envelope (Postage will be borne and paid by the Company) forwarded with this Notice, so as to reach it to the scrutinizer at the Registered Office of the Company **before the close of working hours on 15th September, 2008.**

Accordingly, the consent of the shareholders is solicited by passing a Special Resolution by way of Postal Ballot as set out in the Notice.

The Board commands the Resolution for approval by the Members.

None of the Directors is in anyway concerned or interested either directly or indirectly in the aforesaid resolution except to the extent they hold any shares in the Company. The value of their shareholding will stand affected by the Buy-back just as in the case of any other shareholder of the Company.

**By order of the Board
For TTK Healthcare Limited**

Place : Bangalore
Date : 25th July, 2008

**S KALYANARAMAN
COMPANY SECRETARY**

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No.6, Cathedral Road
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