



# TTK HEALTHCARE LIMITED

Regd. Office : No. 6, Cathedral Road, Chennai - 600 086

## NOTICE TO THE SHAREHOLDERS

**Notice** is hereby given that an **Extraordinary General Meeting of the Shareholders** of the Company will be held at **12.15 p.m. on Friday, the 18th August, 2006**, at the Registered Office of the Company at **No. 6 Cathedral Road, Chennai 600 086**, to transact the following business:

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the existing Guidelines for Preferential Issue contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines), 2000 as amended (hereinafter referred to as “the Guidelines”) and other applicable guidelines / regulations issued by the Securities and Exchange Board of India (“SEBI”) and subject to all necessary approvals, consents, permissions and /or sanctions of the Government of India and any other statutory or regulatory authorities and other applicable laws, and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any Committee constituted for the time being, thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on a preferential basis upto 15,00,000 Equity Shares of the face value Rs.10/- each for cash at a price of Rs.73/- per share (including a premium of Rs.63/- per share) aggregating to Rs.10,95,00,000/- (Rupees Ten Crores Ninetyfive Lakhs only), being the price which is in accordance with the Guidelines, to-

**M/s T T Krishnamachari & Co. represented by its Partners, Mr T T Jagannathan & Mr T T Raghunathan  
No. 6, Cathedral Road, Chennai 600 086;**

**RESOLVED FURTHER THAT** the Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares of the Company, including entitlement to dividend;

**RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued;

**RESOLVED FURTHER THAT** the Board/any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient;

**RESOLVED FURTHER THAT** the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the Guidelines is July 19, 2006;

**RESOLVED FURTHER THAT** consent for issuance of Equity Shares as aforesaid shall also constitute approval of the shareholders of the Company in terms of Regulation 23(1)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve

and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED LASTLY THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to this resolution.”

**Notes:**

1. The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956, is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT NO. 6, CATHEDRAL ROAD, CHENNAI – 600 086 AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
3. M/s. S. Viswanathan, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Guidelines and the said Certificate will be placed before the Extraordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto the date of the Extraordinary General Meeting and will also be placed before the Extraordinary General Meeting.
4. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID. No. and in case of physical shares, to the Share Transfer Agents quoting their Folio Numbers.
5. Members / Proxy holders are requested to produce at the entrance, the attached admission slip for admission into the meeting hall. Duplicate admission slips will not be provided at the hall.

**Place: Chennai**  
**Date : 21<sup>st</sup> July, 2006**

**Regd. Office: No. 6 Cathedral Road**  
**Chennai 600 086**

**By Order of the Board**  
**For TTK HEALTHCARE LIMITED**  
**S KALYANARAMAN**  
**COMPANY SECRETARY**

---

## **EXPLANATORY STATEMENT**

(PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)

### **ITEM NO.1**

**The following disclosure for the preferential issue of Equity Shares is made in accordance with the provisions of Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (“the Guidelines”).**

#### **(i) OBJECTS OF THE ISSUE:**

In order to generate long term resources for implementing future growth plans, it is proposed to issue equity shares on a preferential allotment basis.

The proceeds of the proposed preferential allotment of Equity Shares will strengthen the financial position of the Company.

#### **(ii) INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:**

The present promoters of the Company, M/s T T Krishnamachari & Co. will subscribe to this preferential allotment of Equity Shares. None of the Directors / Key Management Personnel intends to subscribe to this offer.

#### **(iii) CHANGE IN CONTROL:**

There is no change in the management of the Company pursuant to the issue of Equity Shares on Preferential Allotment Basis.

**(iv) SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE OF EQUITY SHARES:**

S.No.	Category	Pre Issue Holding		Allotment of Shares in Preferential Issue	Post Issue Holding	
		No. of Shares	%		No. of Shares	%
<b>A</b>	<b>Promoter's Holding</b>					
<b>1.</b>	<b>Promoters</b>					
a.	Indian Promoters	3574972	54.08	1500000	5074972	62.57
b.	Foreign Promoters	—	—	—	—	—
<b>2.</b>	<b>Persons acting in concert</b>	—	—	—	—	—
	<b>Sub Total</b>	<b>3574972</b>	<b>54.08</b>	<b>1500000</b>	<b>5074972</b>	<b>62.57</b>
<b>B</b>	<b>Non-Promoters Holding</b>					
<b>3.</b>	<b>Institutional Investors</b>					
a (i)	Mutual Funds	936	0.01	—	936	0.01
(ii)	UTI	5836	0.09	—	5836	0.07
b (i)	Banks	716	0.01	—	716	0.01
(ii)	Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Govt. Institutions)	3764	0.06	—	3764	0.05
c	Foreign Institutional Investors	2960	0.04	—	2960	0.04
	<b>Sub Total</b>	<b>14212</b>	<b>0.21</b>	<b>—</b>	<b>14212</b>	<b>0.18</b>
<b>4.</b>	<b>Others</b>					
a.	Private Corporate Bodies	183205	2.77	—	183205	2.26
b.	Indian Public	2805764	42.45	—	2805764	34.59
c.	NRIs/OCBs	32261	0.49	—	32261	0.40
d.	Any other (Please specify)	—	—	—	—	—
	<b>Sub Total</b>	<b>3021230</b>	<b>45.71</b>	<b>—</b>	<b>3021230</b>	<b>37.25</b>
	<b>Grand Total</b>	<b>6610414</b>	<b>100.00</b>	<b>1500000</b>	<b>8110414</b>	<b>100.00</b>

**Notes:**

**1. Open Offer:**

M/s TT Krishnamachari & Co. will be making the Open Offer under the SEBI Takeover Regulations for at least 20% of the paid-up equity share capital of the Company (as expanded pursuant to the proposed preferential allotment of Equity Shares) as per the terms of the SEBI Takeover Regulations. There is no certainty as to the number of Equity Shares which may be offered to Acquirer in the Open Offer. In the event of acquisition of any Equity Shares of the Company pursuant to such Open Offer, the shareholding pattern in the above table would undergo changes to that extent after the acquisition of the Equity Shares in the open offer.

**2. Lock in period:**

The Equity Shares to be allotted to M/s T T Krishnamachari & Co. under the proposed offering shall be subject to lock-in for a period of 3 years and / or 1 year from the date of allotment of Equity Shares as prescribed under the Guidelines.

**(v) PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED**

The Company will complete the allotment of shares within a period of 15 days from the date of passing of the special resolution by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

**(vi) CERTIFICATE FROM AUDITORS:**

M/s. S. Viswanathan, Chartered Accountants, Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the requirements contained in the Guidelines. A copy of the said certificate is available for inspection by the shareholders at the Registered Office of the Company on all working days except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. prior to the date of the Extraordinary General Meeting and will also be available for inspection at the Meeting.

**(vii) DETAILS OF PROPOSED ALLOTTEE AND THE ISSUE:**

<b>Name of the Proposed Allottees</b>	<b>No. of Equity Shares proposed to be allotted</b>	<b>% of Post Issue Equity Capital</b>
<b>M/s T T Krishnamachari &amp; Co., represented by its Partners, Mr T T Jagannathan &amp; Mr T T Raghunathan</b>	<b>15,00,000</b>	<b>18.49%</b>

**Pricing of Preferential Issue:**

The above Equity Shares will be issued and allotted at a price not less than the higher of the following in terms of the Guidelines:-

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date;

The price per share calculated in accordance with the Guidelines works out to Rs.72.74 and the allotment will be made at Rs.73/- per share.

**Explanation:**

- Relevant date for the purpose of this clause means the date thirty days prior to the date on which the meeting of general body of shareholders is held in terms of Section 81 [1A] of the Companies Act, 1956 (including any amendment to or re-enactment thereof) to consider the proposed issue, which relevant date, in the present case, is July 19, 2006.
- Stock Exchange for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the company has been recorded during the preceding six months prior to the relevant date, in the present case being the Bombay Stock Exchange Limited.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

The Guidelines require that when a listed company proposes to make a preferential allotment of equity shares, the notice of the meeting, including the explanatory statement, must make the disclosures mentioned above.

Regulation 23(1)(b) of the Takeover Regulations provides that unless the approval of the general body of shareholders is obtained after the date of the public announcement of offer, the Board of Directors of the Target Company shall not, during the offer period, issue or allot any authorized but un-issued securities carrying voting rights during the offer period. In the present case, the abovementioned 15,00,000 Equity Shares are proposed to be issued and allotted during the offer period.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Chapter XIII of the Guidelines, Regulation 23(1)(b) of the Takeover Regulations and in terms of the provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolution.

Your Directors commend the above resolution for approval by the shareholders.

Mr T T Jagannathan and Mr T T Raghunathan, Directors of the Company, being Partners of M/s T T Krishnamachari & Co., are deemed to be interested in this resolution.

None of the other directors are, in any way, concerned or interested in this resolution.

**Place: Chennai**

**Date : 21st July, 2006**

**By Order of the Board  
For TTK HEALTHCARE LIMITED**

**S KALYANARAMAN  
COMPANY SECRETARY**

**Regd. Office:**

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

**TTK HEALTHCARE LIMITED**

Regd. Office: 6, Cathedral Road, Chennai 600 086

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

NAME &amp; ADDRESS OF THE SHAREHOLDER

.....

.....

.....

.....

FOLIO NO.

\*DP. ID

\*CLIENT ID

\* Applicable to investors holding shares in electronic form

I hereby record my presence at the **Extraordinary General Meeting of the Company** at the Registered Office of the Company at **No.6, Cathedral Road, Chennai 600 086**, on **Friday**, at 18th August, 2006, at **12.15 p.m.**

SIGNATURE OF THE MEMBER OR PROXY

NO. OF SHARES HELD

**TTK HEALTHCARE LIMITED**

Regd. Office: 6, Cathedral Road, Chennai 600 086

**PROXY**

I / We ..... of .....

in the district of .....

being a member / members of TTK HEALTHCARE LIMITED, hereby appoint .....

of ..... in the

district of ..... or failing him, .....

of .....

in the district of .....

as my / our proxy to vote for me / us on my / our behalf at the Extraordinary General Meeting of the Company to be held on Friday, the 18th August, 2006 at 12.15 p.m. at the Registered Office of the Company at No.6, Cathedral Road, Chennai 600 086, or at any adjournment thereof.

Signed this ..... day of .....2006.

FOLIO NO.:

NO. OF SHARES HELD:

\*DP.ID:

\*CLIENT ID:

\* Applicable to investors holding shares in electronic form

Please affix  
1.00 Rupee  
Revenue  
Stamp

**Notes:**

Proxy must be deposited at the Registered Office of the Company not less than 48 HOURS before the commencement of the Meeting.  
The Proxy should be signed according to the specimen signature/s of the member/s recorded with the Company.