

EGM NOTICE 2013

Notice is hereby given that an Extra Ordinary General Meeting of the members of Hikal Ltd., will be held on Friday, 17th May 2013 at 11 a.m. at Board Room, 31st floor, World Trade Centre No.1, Cuffe Parade, Mumbai – 400 005, to transact the following special business :

Special Business:

1. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company to cancel / rescind the ESOP scheme, which was approved pursuant to the resolution dated 31st October 2002 passed by the Board of the Company."

"RESOLVED FURTHER THAT for the purpose of cancelling / rescinding the ESOP scheme, the consent of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

By Order of the Board of Directors

Registered Office :
717/718, Maker Chamber V,
Nariman Point,
Mumbai 400 021
Date : 6th February, 2013

For Hikal Ltd.

S.V. Wahalekar
Company Secretary

NOTES:

1. An explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of special business is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Members are requested to bring the Notice of EOGM to the meeting. Further, members are requested to bring the attendance slip with them duly filled in and hand over the same at the entrance of the meeting hall.

ANNEXURE TO THE NOTICE

Explanatory Statement As Required U/s 173(2) of The Companies Act, 1956

The members at the 14th Annual General Meeting held on 23-07-2002 had approved granting of stock options to persons who were in permanent employment of the Company for acquiring shares of the Company which were purchased by Hikal Employees Welfare Trust-A and Hikal Employees Welfare Trust-B (collectively referred as "Trusts") from the secondary market and for the said purposes, the Board was authorized to bring into effect an ESOP Scheme. Accordingly, the Board had framed an ESOP Scheme under the provisions of the then prevailing laws and guidelines.

The Trusts have since their formation purchased equity shares of the Company from secondary market with an intent to make them available under the ESOP scheme. In the year 2004, under the ESOP scheme the eligible employees were offered stock options for 36,775 equity shares and the said offer was accepted by the concerned employees. Subsequently in the years 2005, 2006, 2007 and 2008, shares were offered to the employees under ESOP Scheme. However, due to the market conditions (the market price having fallen below the offer price), no employee exercised the option and accordingly no shares were allotted under the ESOP Scheme. In the circumstances for all practical purposes, the ESOP Scheme has become ineffective and non viable.

Presently, the Trusts collectively hold 7,76,318 equity shares of the Company.

The Securities and Exchange Board of India has by a circular dated 17-1-2013 amended the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 ("Guidelines") and Listing Agreement whereby employee welfare trusts are now prohibited from acquiring securities from the secondary market and the employee benefit schemes involving dealing in the securities of the company, which are not in the accordance with the Guidelines are required to be aligned with the Guidelines by either transferring the shares to the employees or by selling the shares in the market and transferring the benefit to the employee on or before 30-6-2013.

As it is not possible for the Company to align the ESOP scheme with the Guidelines, the ESOP scheme will have to be cancelled /rescinded before 30-6-2013. Since as per the Guidelines, any variation to the ESOP scheme has to be approved by the members of the company, it is necessary to convene an extra ordinary general meeting to obtain approval of the members for cancelling/rescinding the ESOP scheme and to do all further acts in that regard by the Board.

None of the Directors of the Company are interested or concerned in the passing of the resolution except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution for the approval by the members.

By Order of the Board of Directors

Registered Office :
717/718, Maker Chamber V,
Nariman Point,
Mumbai 400 021
Date : 6th February, 2013

For Hikal Ltd.

S.V. Wahalekar
Company Secretary

PROXY FORM

HIKAL LIMITED : Regd. Office : 717/718, Maker Chamber V, Nariman Point, Mumbai-400 021

I/We, the undersigned _____
 of _____ being a member/s of HIKAL LTD,
 Mumbai, hereby appoint _____ of _____
 _____ or failing him _____
 _____ of _____ as my/our proxy to vote for
 me/us and on my/our behalf at the Extra Ordinary General Meeting of the company to be held on
 Friday, 17th May, 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Membership Folio Nos./Client ID/DPID _____

No of Shares held _____



(Signature of member)

Note:

The Proxy must be deposited with the Registered Office of the Company at 717/718, Maker Chamber V, Nariman Point, Mumbai-400 021 not less than 48 hours before the time for holding the meeting.

ATTENDANCE SLIP

HIKAL LIMITED : Regd. Office : 717/718, Maker Chamber V, Nariman Point, Mumbai-400 021

Please complete this attendance slip and hand it over at the entrance of the Meeting

Membership Folio Nos./Client ID/DPID _____

Name of the Shareholder / Proxy : _____

Address : _____

No of Shares Held : _____

I/We hereby record my/our presence at the Extra Ordinary General Meeting of the Company being held on
 Friday, the 17th May, 2013 at the Board Room, 31st Floor, Centre I, World Trade Centre, Cuffe Parade, Mumbai
 400 005.

 Signature of Shareholder/proxy *

*Strike whichever is not applicable