

NEULAND LABORATORIES LIMITED

(CIN: L85195TG1984PLC004393)



Registered Office: Sanali Info park, 'A' Block, Ground floor, 8-2-120/113, Road No.2, Banjara Hills, Hyderabad-34.
E-mail : ir@neulandlabs.com, website : www.neulandlabs.com, Tel: +91-40-30211600.

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the resolutions appended are proposed to be passed as Special Resolutions by way of postal ballot / e-voting.

The Explanatory Statement, as required under section 102 of the Act, pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot form (the "Form") and self addressed postage pre-paid Business Reply Envelope ("BRE") for your consideration.

The Board of Directors of the Company (the "Board") has appointed Mr.D.Hanumanta Raju, Partner, D.Hanumanta Raju & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The Resolution and Explanatory Statement pertaining to the said Resolutions pursuant to Section 102 of the Act, setting out the relevant material facts and the reasons for which such resolution proposed, are appended herewith for your consideration along with a 'Postal Ballot Form' and self-addressed postage pre-paid Business Reply Envelope ("BRE").

If you are voting through Postal Ballot Form (i.e. Physical Ballot), you are requested to carefully read the instructions printed on the Form enclosed herewith and return it, duly completed and signed at the designated place in the Form along with your assent (FOR) or dissent (AGAINST) or (ABSTAIN) in the attached self-addressed postage pre-paid BRE, so as to reach the Scrutinizer on or before February 19, 2016 by (5.00 p.m. IST). Any postal ballot received beyond the said date will not be valid.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman & Managing Director or to any Director.

The result of the postal ballot would be announced by the Chairman & Managing Director or the Chief Executive Officer or the Company Secretary of the Company on or before February 25, 2016 at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers and displayed along with the Scrutinizer's report on the Company's website viz.www.neulandlabs.com.

RESOLUTION

1. To mortgage / create charge(s) on assets of the Company under section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any and rules made thereunder in connection with the borrowings of the Company:

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

"RESOLVED THAT in supersession of the earlier resolution(s) passed by members of the Company under Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board"

which term shall be deemed to include any committee thereof or any person(s) authorized by the Board) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to takeover substantial assets of the Company in certain events in favour of banks / financial institutions and other lending agencies including the trustees for the holders of debentures / bonds / other instruments (hereinafter referred to as "Lenders"), to secure the repayment of monies borrowed by the Company / to be borrowed by the Company, from such lenders from time to time, subject to the limits under Section 180(1)(c) of the Act or as may be approved by the Company under Section 180(1)(c) of the Act, together with the interest thereon at the respective agreed rate(s) or any other charges in respect of such borrowings."

"RESOLVED FURTHER THAT all the charges created on the movable and immovable properties of the Company, be and are hereby ratified."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the lenders the requisite agreement, documents, deeds and writings for borrowing and/ or creating the aforesaid mortgage(s) and/ or charge(s) and to do all such other acts, deeds and things as may be necessary, in the best interests of the Company, to give effect to the above resolutions."

By Order of the Board of Directors
For Neuland Laboratories Limited

Sd/-

Place : Hyderabad
Date : January 7, 2016

Sarada Bhamidipati
Company Secretary
M No: 27854

Explanatory Statement Pursuant to Section 102 of the Companies Act, 1956

Item No.1

The borrowings of the Company in general are required to be secured from time to time by creation of charge by way of mortgage, pledge and hypothecation or otherwise on or any of the assets of the Company in such manner as may be required by banks, financial institutions or other lending institutions. Mortgaging or creating charge by the Company on its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the board of directors, may be construed as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013 in certain circumstances. The Company had earlier secured approval of members under Section 293(1)(a) of the Companies Act, 1956.

Under Section 180 of the Companies Act, 2013 ("the Act"), the powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. The approval of the members for creation of a mortgage or charge on the total assets of the Company, is therefore now being sought, by way of a Special Resolution, pursuant to Section 180(1)(a) of the Act.

The Board recommends the Resolution at Item No.1 of the Notice for approval of the shareholders by a Special Resolution. It is also proposed to ratify the existing charges created by the Company under section 180(1) (a) of the Act, if any.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

By Order of the Board of Directors
For Neuland Laboratories Limited

Sd/-

Place : Hyderabad
Date : January 7, 2016

Sarada Bhamidipati
Company Secretary
M No: 27854

NOTES

1. The Explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposal is annexed herewith.

The Company has appointed Mr.D.Hanumanta Raju, Partner, D.Hanumanta Raju & Co., Company Secretaries, to act as the Scrutinizer for conducting the Postal Ballot Process in a fair and a transparent manner.

2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as on January 15, 2016. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on January 15, 2016 will be considered for the purpose of voting.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
6. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to ir@neulandlabs.com.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on January 15, 2016. The e-voting period commences on January 22, 2016 (9.00 a.m. IST) and ends on February 19, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on January 15, 2016, may cast their vote electronically.

8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the Members to exercise their votes electronically and vote on all the resolutions through the e-voting service facility arranged by Karvy. The instructions for electronic voting are annexed to this Notice.
9. A Member cannot exercise his vote by proxy on postal ballot.
10. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman of the Company duly authorized, on or before February 25, 2016 and will also be displayed on the website of the Company (www.neulandlabs.com), besides being communicated to the Stock Exchanges on the said date.
11. The date of declaration of results of the postal ballot, i.e. on or before February 25, 2016, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
12. In case of any queries, shareholders may contact the Company at ir@neulandlabs.com or the Registrar & Transfer Agent at srirama.murthy@karvy.com.

INSTRUCTIONS FOR VOTING

Voting through Postal Ballot

Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed postage pre-paid BRE, to the Scrutinizer so as to reach the Scrutinizer on or before February 19, 2016 by (5.00 p.m. IST).

If any postal ballot form is received after (5.00 p.m. IST) on February 19, 2016 it will be considered that no reply from the Member has been received.

Voting through Electronic Means (E-Voting)

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") for the purpose of providing e-voting facility to all its Members.

A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company / Depository Participants (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., Neuland Laboratories Limited
- vii. On the voting page, enter the number of shares (which represents the number of

votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email gr@gramcsfirm.com with a copy marked to evoting@karvy.com.

B. In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]

- (i) E-Voting Event Number – (EVEN), User ID and Password is provided with the postal ballot notice.
- (ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.