



LYKIS LIMITED

Corporate Office: Grandeur Bldg., 4th Floor, Veera Desai Road, Opp Gundecha Symphony, Near Country Club, Andheri-West, Mumbai- 400 053.
Registered Office: Omer Mansion, 29A, Weston Street, 2nd Floor, R. No. B5, Kolkata, West Bengal - 700 012
Tel.: (+9122) 4069 4069 website: www.lykisgroup.com
CIN NO. L74999WB1984PLC038064

22th June, 2017

To,
The Manager,
Department of Corporate Services,
BSE Limited,
P.J.Towers, Dalal Street,
Mumbai - 400 001.

Dear Sir(s),

Sub: Outcome of Board Meeting held today, 22nd June, 2017 in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We would like to inform you that the Board of Directors of the Company in their meeting held today, 22nd June, 2017 has considered and approved, after recommendation of the Audit Committee, a Scheme of Arrangement between the Company and Cheers Consumer Products Limited and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013, for demerger and vesting of "Tea" Division of the Company to Cheers Consumer Products Limited.


The above said Scheme is subject to the approval of SEBI, Stock Exchanges, shareholders, creditors, the National Company Law Tribunal, and other regulatory authorities, as applicable.

The details required as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/04/2015 dated September 09, 2015 in respect of the aforesaid Scheme is enclosed herewith as Annexure A.

You are requested to kindly take the same on record.

Thanking you,

Yours Faithfully,
For Lykis Limited


Company Secretary
Encl- As above





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Annexure A

Details required as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/04/2015 dated September 09, 2015

a. Brief details of the division(s) to be demerged

Tea Division of Lykis Limited to be demerged into Cheers Consumer Products Limited.

b. Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year

Particulars	Turnover (in Rs) of the demerged division	% of total turnover of Company	2015-16	
			Turnover (in Rs) of the demerged division	% of total turnover of Company
	2016-17		2015-16	
Revenue	7,05,26,226.40	6.65%	6,31,30,186.62	6.03%

c. Rationale for demerger

- LYKIS Limited is a well-established listed company engaged primarily in the business of marketing and trading of fast moving consumer goods (FMCG), and also is engaged in the business of tea plantation and processing in its tea garden, Iringmara Tea Estate, situated at Silchar, Assam.
- It is a Two star Export House and well diversified FMCG player, its presence pans across the entire consumer goods spectrum which include beauty, grooming segment, homecare segment, food & beverages segment, health and well-being segment. It caters to the market via multiple products under various brands namely, Alivio, Bonita, Britex, Lykis, Lycafe, Rox, Tazagi and Vogly.
- The FMCG business is the fourth largest sector in the Indian economy. The market Size of FMCG in India is estimated to grow from USD 30 Billion in 2013 to USD 74 Billion in 2018. Thus FMCG brands would need to focus on R & D and innovation as a means of growth and competitive dynamics.





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- d) In Tea Business, the domestic consumption of tea is increasing day by day and to develop a tea garden, long term strategy and planning is required and deployment of funds for expansion is necessary in order to get fruitful results.

Though the Tea Division of the Company falls under the FMCG Segment, yet the nature, risk and competition involved is distinct and separate, necessitating different management approaches and focuses. Moreover, the competitive dynamics of these businesses are also different, with marketing and distribution on one side and production on the other.

- e) Thus, separation of the Tea Division, by way of this Scheme including its business would lead to significant benefits for both the businesses including:

- i. Enable a dedicated management focus and accelerate growth of the consumer business unlocking significant value for shareholders;
- ii. Access to varied sources of funds for the rapid growth of both the businesses;
- iii. Greater visibility in the performance of the individual businesses;
- iv. High degree of independence as well as accountability with autonomy for each of the business segment;
- v. Provide for independent collaboration and expansion without committing the existing organization in its entirety;
- vi. Create a platform to enhance financial flexibility to pursue the next stage of growth;
- vii. Ensure long term profitability and independent and optimum growth and development of the said businesses and undertakings on the basis of their own strengths and prospects and will facilitate realization of their potential to a fuller extent;

- f) This would result in the businesses to be conducted more conveniently and advantageously with greater focus, attention and specialization and facilitate the considerations and factors peculiar to the said businesses to be addressed more effectively by the said companies.

- g) In view of the above-mentioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking of the LYKIS Limited and vest the same with the Resulting Company in the manner and on the terms and conditions stated herein.





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d. Brief details of change in shareholding pattern (if any) of all entities

There are only two entities involved in the Proposed Demerger:

(a) The Company: There shall be no change in the shareholding pattern of the Company.

(b) The Resulting Company: The Shareholding pattern of the Cheers Consumer Products Limited would be exactly same as that of Lykis Limited.

e. In case of cash consideration - amount or otherwise share exchange ratio

No cash consideration is being given under the Scheme.

Consideration will be in the form of allotment of shares by the resulting Company according to the share entitlement ratio.

As consideration for the Proposed demerger 1,22,92,313 equity shares of Rs. 10/- each of Cheers Consumer Products Limited will be issued to the Shareholders of Lykis Limited in proportion to their existing shareholding in Lykis Limited as on the record date

In case of Fractional Shares entitlement for demerger the same shall be consolidated to whole number.

f. Whether listing would be sought for the resulting entity

Yes, the shares of the Resulting Entity shall be listed on BSE Limited.

