



L.G. BALAKRISHNAN & BROS LIMITED



CIN : L29191TZ1956PLC000257

Regd. Office: 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore- 641 006.

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Dear Shareholders,

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, that Company seeks approval of Members, through Postal Ballot in respect of the following resolutions appended below:

In the event of the resolution as set out below if assented by the requisite majority of the shareholders by means of postal ballot shall be deemed to have been passed as Special resolution(s) at the general meeting of the Company. The date of announcement of the result shall be considered to be the date of the general meeting and the date of passing of the said resolution(s).

Please read carefully the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed pre-paid postage envelope, so as to reach the Scrutinizer on or before the close of working hours on Saturday, 21st June, 2014. Members may choose to vote using the **e-voting facility**, the details whereof are specified under instructions to the Postal Ballot Form.

The Board of Directors have appointed Mr. M.D. Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman of the Board of Directors after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Monday, 23rd June, 2014, at 9.00 A.M. in the notice board of the Company at its registered office and through the website of the Company (www.lgb.co.in) and by way of intimation to the Stock Exchanges on which the Company's shares are listed.

SPECIAL BUSINESS:

1 Increase of Authorised Share Capital and consequent alteration of the Memorandum and Articles of Association of the Company.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution to be passed as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions, if

any, of the Companies Act, 2013, read with relevant Rules thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Authorised Share Capital of the Company be and is hereby enhanced from the existing ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore and Twenty Lakhs only) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) Equity Shares of ₹ 10/- (Rupees Ten only) each by creation of 80,00,000 (Eighty Lakhs only) Equity Shares of ₹ 10/- (Rupees Ten only) each ranking pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by replacing the existing Clause V thereof with the following new Clause V:

V. *The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) Equity shares of ₹ 10/- (Rupees Ten only) each subject to be increased, decreased, consolidated, sub-divided or otherwise dealt with AND with such preferential, qualified or special rights or privileges conferred on them subject to the provisions of Companies Act, 2013 and other applicable statutory regulations including Listing Agreement and Securities and Exchange Board of India (“SEBI”) regulations.*

“RESOLVED FURTHER THAT, the Articles of Association of the Company be and is hereby altered by replacing the existing Article 2 thereof with the following new Article 2:

2. *“The Authorized Share Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) Equity shares of ₹ 10/- (Rupees Ten Only) each subject to be increased, decreased, consolidated, sub-divided or otherwise dealt with AND with such preferential, qualified or special rights or privileges conferred on them subject to the provisions of Companies Act, 2013 and*

other applicable statutory regulations including Listing Agreement and Securities and Exchange Board of India (“SEBI”) regulations.”

2. Alteration of the Articles of Association.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution to be passed as a Special Resolution

RESOLVED THAT subject to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules thereof the Articles of Association of the Company be and are hereby amended and altered in the manner specified below.

- a. After the existing Article 19A, the following new Articles 19B & 19C be and are hereby inserted as detailed below.

19B. Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves or any Capital Redemption Reserve Account or in the hands of the Company and available for dividends or representing premiums received on the issue of shares and standing to the credit of securities premium account be capitalized and distributed amongst such of the shareholders as Bonus Equity Shares, which shall rank paripassu with the existing equity shares.

19C. The Company shall have a Common Seal and the directors shall provide for the safe custody thereof. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or a committee of the Board and in the presence of at least two Directors and of the Secretary who shall sign every instrument to which the seal shall be affixed in his presence. Such signature shall be conclusive evidence of the fact that the Seal has been properly affixed. As regards affixing the seal to share certificates the same shall be affixed in accordance with the provisions of the Companies (Share Capital And Debentures) Rules, 2014 or any other statutory regulation.

- b. The existing Article 11 of the Articles of Association be deleted and the following new Article 11 be substituted thereof.

11. The Board of Directors of the Company may, subject to the provisions of the Companies Act, 2013, or any modification thereof from time to time, appoint one or more of their body to the office of Chairman, Managing Director, Chairman Cum Managing Director, Deputy Managing Director, Joint Managing Director or Whole Time Director for such period and on such terms as it thinks fit. The Chairman, Managing Director, Chairman Cum Managing Director and Independent Director(s) appointed pursuant to the provisions of Section 149 of the Companies Act, 2013 shall not while holding such office be subject to retirement by rotation at the Annual General Meeting(s) but however Deputy Managing Director, Joint Managing Director or Whole Time Director shall be subject to retirement by rotation at the Annual General Meeting(s). The Board of Directors may entrust to and confer upon such Chairman, Managing Director, Chairman cum Managing Director, Deputy Managing Director, Joint Managing Director or Whole Time Director all or any of the powers exercisable by them, with such restrictions as they may think fit, either collaterally with or to the exclusion of their own powers and subject to the superintendence, control and direction. The remuneration payable to such persons shall be sanctioned by the Company in General Meeting.

- c. After the existing Article 11, the following new Article 11A be and is hereby inserted as detailed below.

11A. The Board of Directors shall have the power to appoint the same individual to hold and occupy both the positions of Chairman and Managing Director or Chief Executive Officer (CEO) of the Company.

- d. Article Numbers 28 to 35 in Part II be deleted as they are redundant.

3. Issue of Bonus Shares by way of Capitalisation of Reserves.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution to be passed as a Special Resolution.

RESOLVED THAT in accordance with the provisions of Section 63 of the Companies Act, 2013 and all other applicable provisions, if any of the Companies Act, 2013, read with relevant Rules thereof, (or any amendment or re-enactment thereof) the provisions of the Memorandum & Articles of Association of the Company, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the compliance with the Guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, consent of Members, be and is hereby accorded to the Board of Directors of the Company including any Committee thereof (hereinafter referred to as "the Board") for capitalization of sum to the extent of ₹ 7,84,81,040/- standing to the credit of the General Reserves or any other permitted reserves/surplus of the Company as at 31st March 2014 by issue of 78,48,104 Equity Shares of the face value of ₹ 10/- (Rupees Ten) each, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Book Closure Date' to be determined by the Board in the proportion of 1 (One) Bonus Equity Share of ₹ 10/- (Rupees Ten) each for every 1 (One) fully paid-up Equity Share of ₹ 10/- (Rupees Ten) each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by each such member, and not as income;

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank paripassu in all respect with fully paid up Equity Shares as existing as at Book Closure Date to be notified by the Company save and except that they shall not be entitled to any dividend for the financial year 2013-2014.

RESOLVED FURTHER THAT the Bonus Shares so allotted be subject to the terms and conditions

contained in the Memorandum and Articles of Association of the Company.;

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities;

RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other foreign investors to which such Members may be entitled shall be subject to the compliance under the applicable regulations under the Foreign Exchange Management Act, 1999, if required;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such equity shares on the Stock Exchange(s) where the shares of the Company are listed/traded and to make necessary application to the depositories for crediting the Bonus shares to the individual depository accounts of the allottees.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

4. Approval for Borrowing in excess of the paid-up capital & free reserves pursuant to Section 180 (1) (c) of the Companies Act, 2013.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution to be passed as a Special Resolution.

RESOLVED THAT in supersession of the earlier resolutions, and pursuant to Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof, consent and approval of the Company be and

is hereby accorded to the Board of Directors of the Company to borrow from time to time in one or more tranches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding will exceed the aggregate of the paid-up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the Company's bankers) shall not exceed ₹ 3,00,00,00,000/- (Rupees Three Hundred Crores only).

5. Approval for creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180 (1) (a) of the Companies Act, 2013.

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution to be passed as a Special Resolution.

"RESOLVED THAT in supersession of the earlier resolutions and pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to sell, lease, mortgage or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole of or substantially the whole of the undertakings of the Company at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company.

RESOLVED FURTHER THAT the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets and/or undertakings of the Company (both present and future) in certain events, to banks/financial institutions, other lending agencies, and/or trustees for the holders of debentures/bonds/other instruments, to secure any rupee loans or foreign currency loans.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.

By Order Of The Board
For L.G. Balakrishnan & Bros Ltd

M. Lakshmikanth Joshi
General Manager cum
Company Secretary

Coimbatore
15.05.2014

Notes:

1. Pursuant to Section 102 of the Companies Act, 2013, the Explanatory Statement setting out material facts and reasons for the proposed Special Business are appended herein.
2. The Postal Ballot Notice is being sent to all the Members of the Company, whose names appear on the Register of Members/list of Beneficial Owners, as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on Friday, 16th May 2014. Voting rights shall be reckoned on the paid-up value of the Shares registered in the name of the members on that date.
4. The Postal Ballot Form together with self-addressed Business Reply Envelope is enclosed for the use of the Member. Please carefully read the instructions printed on the enclosed Postal Ballot Form before exercising your vote and return the Form duly completed, signifying your assent or dissent, in the attached self-addressed postage pre-paid envelope so as to reach the scrutinizer on or before the close of working hours on 21st June, 2014. Unsigned postal ballot forms and postal ballot forms received after the last date will be rejected. Postage will be borne and paid by the Company.
5. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended **e-voting facility** as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s.

6. The Scrutinizer will submit his report after completion of scrutiny, on 22nd June, 2014. The Chairman will, or in his absence any other person so authorised by him will announce the results of the voting by Postal Ballot on 23rd June, 2014 at 9.00 A.M. at the Registered Office of the Company.
7. The results of the Postal Ballot along with the Scrutinizer report will also be displayed at the Company's Registered Office and hosted on the Website of the Company i.e., www.lgb.co.in besides being communicated to the Stock Exchanges on which the shares of the Company are listed.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M. to 5.00 P.M.) on all working days upto the date of declaration of the result of Postal Ballot.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF POSTAL BALLOT

ITEM No.1

Presently the existing Authorised Share Capital of the Company is ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs only) Equity Shares of ₹ 10/- each (Rupees Ten only). In order to accommodate the issue of bonus shares and further issue of shares (if any), it is necessary to increase the Authorised Share Capital to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) comprising of 2,00,00,000 (Two Crores Only) Equity Shares of ₹ 10/- each (Rupees Ten Only).

The alteration to the Capital Clause of Memorandum and Articles of Association of the Company is consequent upon increase in the Authorised Share Capital.

As per the provisions of the Companies Act, 2013, any increase in Authorised Capital and consequent amendment to the Memorandum and Articles of Association of the Company requires consent and approval of the Members of the Company.

The Board of Directors recommend the Resolution in Item No.1 of the Notice for approval by the Members.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are interested in the Resolution as set out in Item No.1 of the Notice, except to the extent of Equity Shares that will be allotted to them pursuant to the Bonus Issue.

The Memorandum and Articles of Association referred herein above shall be open for inspection at the Registered Office of the Company on all working days during office hours upto the date of declaration of the results of the Postal Ballot.

ITEM No.2

The Board of Directors at their meeting held on 15th May, 2014 have recommended amendment of Articles of Association of the Company by inserting new article(s)/amendment to existing article(s) namely (a) inserting new article 19B for providing issue of Bonus shares by capitalization of reserves (b) inserting new article 19C for provisions regarding affixing of Common Seal of the Company and (c) replacement of existing article 11 with a new article 11 providing that the office of, Deputy Managing Director, Joint Managing Director or Whole Time Director(s) are liable to retire by rotation to comply with Section 152 of the Companies Act, 2013, (d) inserting new article 11A enabling the Board of directors to appoint the same individual to hold and occupy both the positions of Chairman and Managing Director of the Company, (e) deletion of Articles numbering from 28 to 35 in Part II which have become redundant.

Currently, Mr. B.Vijayakumar is the Chairman cum Managing Director of the Company. He has been associated with the Company for more than three decades. He has contributed immensely to the stellar growth of the Company in all these years. His vision and leadership is considered crucial for growth of the Company. Accordingly, it is proposed to alter the existing Articles of Association of the Company in the manner so as to enable Sri. B. Vijayakumar to continue to hold his position as "Chairman cum Managing Director" of the Company.

In terms of Section 14 & Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 consent of the members of the Company is proposed to be obtained by way of special resolution through postal ballot.

The Board of Directors recommend the Resolution in Item No.2 of the Notice for approval by the Members.

A copy of the Articles of Association together with the proposed amendments will be available for inspection by the members during office hours on any working day.

Sri. B. Vijayakumar, Chairman cum Managing Director is deemed to be interested in this resolution.

Sri. V. Rajviradhan and Smt. V. Rajsri Directors of the Company are deemed to be interested and concerned in the resolution being his relatives. None of the other Directors, Key Managerial Personnel or their relatives are interested in the Resolution as set out in Item No.2 of the Notice.

ITEM No.3

Your Company has completed successful journey of four decades as a public limited Company. Commemorating more than five decades of its successful and rewarding business operations and considering accumulated reserves of more than ₹ 291 Crores, the Board of Directors, at its meeting held on 15th May, 2014 has recommended for the approval of the Members, for the issue of Bonus Shares to the Equity Shareholders in the proportion of 1:1 i.e. one new fully paid-up Equity Share of ₹ 10/- each for every 1 (one) fully paid-up Equity Share of ₹ 10/- each held thereby increasing the total paid-up Equity Capital of the Company from ₹ 7,84,81,040/- consisting of 78,48,104 Equity Shares of ₹ 10/- each to ₹ 15,69,62,080/- consisting of 1,56,96,208 Equity Shares of ₹ 10/- each, by capitalization of a sum of ₹ 7,84,81,040/- (Rupees Seven Crores, Eighty Four Lakhs Eighty One Thousand and Forty Only) standing to the credit of General Reserves or any other permitted reserves/surplus of the Company as at 31st March, 2014.

The fully paid-up Bonus Shares shall be distributed to the Members of your Company, whose names appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants on the 'Book Closure Date' for the issue of Bonus Share to determine the eligibility of shareholders entitled to receive the Bonus Shares which will be intimated to the Stock Exchange and advertised in the News Paper. The Bonus Shares so allotted shall rank pari-passu in all respects with the existing Equity Shares of the Company.

However the Bonus Shares so allotted shall not be entitled for dividend declared for the financial year 2013-14.

The Board recommend the Special Resolution as set out in item No.3 of the Notice for the approval of the Members.

The Promoters, Directors, Key Managerial Personnel of your Company and their relatives and other Companies of which they are Directors / Members are interested in this Resolution to the extent of their respective shareholding/s in the Company.

ITEM No. 4 & 5

The Members of the Company on 10th May, 2006 had approved the borrowings by the Company for an amount not exceeding ₹ 300 Crores (Rupees Three Hundred Crores Only) and creation of charge to secure the borrowings vide Ordinary Resolution(s) under Section 293(1) (d) and 293(1)(a) of Companies Act, 1956.

Pursuant to the notification issued by the Ministry of Corporate Affairs on September 12, 2013, Section 180 (1) (a) and 180(1) (c) of the Companies Act, 2013 have come into force with effect from September 12, 2013. Accordingly the limits approved by the members of the Company under Section 293 (1) (a) and 293 (1)(d) of Companies Act, 1956 is valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013. In order to comply with the provisions of Companies Act, 2013, approval of the Members of the Company is being sought by way of Special Resolutions under Sections 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013, to borrow monies in excess of Paid-up Capital of the Company and its free reserves and to create security by way of creating mortgage, hypothecation and / or charge on movable / immovable properties of the Company.

The Board recommend the Special Resolution(s) as set out in item Nos.4 & 5 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise in this Resolution.

By Order of The Board
For **L.G. Balakrishnan & Bros Ltd**
M. Lakshmikanth Joshi
General Manager cum
Company Secretary

Coimbatore
15.05.2014