



## 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 Shareholder(s),

("CDSL"), the e-voting agency appointed by the Company for the purpose.

**Notice** is hereby given pursuant to the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions of the Act and Rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the below mentioned resolution for issue of bonus equity shares is proposed to be transacted/passed by the Members as a Special Resolution through postal ballot/ e-voting process.

The Board of Directors of the Company vide their resolution passed on 28<sup>th</sup> April 2018 has appointed Mr. M.D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries, Coimbatore as Scrutinizer for conducting the voting through postal ballot process and through electronic means in a fair and transparent manner.

The Board of Directors of the Company, at their meeting held on 28<sup>th</sup> April 2018, have approved the Issue of Bonus Equity Shares subject to, inter alia, the approval of the shareholders of the Company and such other authorities as may be required.

Members are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form, duly completed in all respects in the enclosed self-addressed, postage pre-paid envelope, so as to reach the scrutinizer on or before the close of working hours at 5.00 PM on Thursday, the 7<sup>th</sup> June 2018. Your assent/ dissent received after 5.00 PM on Thursday, the 7<sup>th</sup> June 2018, would be strictly treated as if a reply from you has not been received. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.

The Statement setting out the material facts concerning the resolution set out in Item No. 1 of the Postal Ballot Notice dated 28<sup>th</sup> April 2018 pursuant to Section 102 of the Companies Act, 2013 relating to the resolution is annexed. The Postal Ballot Notice is placed on the website of the Company [www.lgb.co.in](http://www.lgb.co.in).

As required under the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also providing e-voting facility as an alternative to exercising the voting right through postal ballot form. Accordingly, instead of returning the Postal Ballot Form, members may choose to cast their vote electronically through the CDSL e-voting platform. The e-voting platform will be opened for tendering your votes from 9:00 AM on Wednesday the 9<sup>th</sup> May 2018 to 5.00 PM on Thursday, the 7<sup>th</sup> June 2018. Members opting for e-voting may follow the procedure, as recommended by CDSL, which is specified along with this Notice.

You are requested to send your assent or dissent for the Resolution within 30 days in either of the following modes: -

- (a) by filling in the necessary details in the Postal Ballot form enclosed, signing the same at the marked place and returning the same in the enclosed postage pre-paid business reply envelope; or
- (b) by e-voting through the platform provided by Central Depository Services (India) Limited

The Scrutinizer shall submit his report to the Chairman cum Managing Director or Deputy Managing Director of the Company. The result of the postal ballot shall be:

- ❖ Announced on or before the close of business hours on Saturday, 9<sup>th</sup> June 2018
- ❖ Displayed on the website of the Company and CDSL on Saturday, 9<sup>th</sup> June 2018 and
- ❖ Communicated to BSE Limited (BSE) & the National Stock Exchange of India Limited (NSE), the stock exchanges where the equity shares of the Company are listed.

In the event, the resolution as set out below is assented by the requisite majority of the shareholders by means of Postal Ballot process, it shall be deemed to have been passed as a Special Resolution at the General Meeting of the Company and it shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed Postal Ballot Forms or e-voting.

#### **SPECIAL BUSINESS**

##### **Item No.1:**

##### **Issue of Bonus Equity Shares**

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 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable regulations, rules and guidelines issued by SEBI and the Reserve Bank of India (“RBI”) from time to time, the enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions, conditions and sanctions as may be necessary from appropriate authorities and subject to such terms and modifications, if any, as may be specified while according such approvals and subject to acceptance

of such conditions or modifications by the Board of Directors, consent of the members be and is hereby accorded to the Board of Directors of the Company (“the Board”, which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) for capitalisation of a sum not exceeding ₹ 15,69,62,080/- (Rupees Fifteen Crores Sixty Nine Lakhs Sixty Two Thousand and Eighty Only) from and out of the Securities Premium Account, General Reserve Account and/or any other permitted reserves / surplus of the Company, as may be considered appropriate for the purpose of issue of bonus equity shares of ₹ 10/- (Rupees Ten only) each, credited as fully paid to the eligible members of the Company holding equity shares of ₹10/- (Rupees Ten only) each of the Company whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on a ‘Record Date’ to be determined by the Board for this purpose, in the proportion of 1:1 i.e., 1 (One) new fully paid-up equity share of ₹ 10/- (Rupees Ten only) each for every 1 (One) existing fully paid-up equity share of ₹ 10/- (Rupees Ten only) each held by them and that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up capital of the Company held by each such member;

**RESOLVED FURTHER THAT** the bonus equity shares so allotted shall rank pari passu in all respects with the existing fully paid-up equity shares of the Company as existing on the Record Date;

**RESOLVED FURTHER THAT** the bonus equity shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company;

**RESOLVED FURTHER THAT** in the case of members who hold shares in dematerialised form, the bonus equity shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participant(s) and in the case of members who hold equity shares in certificate form, the share certificate(s) in respect of the bonus equity shares shall be despatched, within such time as prescribed by law and the relevant authorities;

**RESOLVED FURTHER THAT** the issue and allotment of the bonus equity shares to Non-Resident Members, Persons of Indian Origin (PIO), Foreign Institutional Investors (FIIs), Overseas Corporate Bodies (OCB) and other Foreign Investors, be subject to the approval of RBI or any other regulatory authority, as may be necessary;

**RESOLVED FURTHER THAT** the Board (including any committee thereof) be and is hereby authorised to take necessary steps for listing of such bonus equity shares on the Stock Exchanges where the securities of the Company are presently listed as per the provisions of the Listing Regulations and other applicable regulations, rules and guidelines;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board (including any committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper, expedient or desirable 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.

#### **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 1**

The Book Value of the Company has surpassed ₹ 550 Crores and the Market Capitalization of the Company is around 3 times of the Book Value. It is felt therefore that the current Number of Equity Shares can be generously doubled and the Company can still maintain its Dividend Pay-out its growth. Parallely this will improve the Liquidity in the Share Market. The Board of Directors, at its meeting held on 28<sup>th</sup> April, 2018 has, subject to consent of the members of the Company, approved and recommended issue of bonus Equity Shares of ₹ 10/- (Rupees Ten only) each credited as fully paid-up to eligible members of the Company in the proportion of 1 : 1 i.e., (one) new fully paid-up equity share of ₹ 10/- (Rupees Ten only) each for every 1 (one) existing fully paid-up equity share of ₹ 10/- (Rupees Ten only) each by capitalising a sum not exceeding ₹ 15,69,62,080/- (Rupees Fifteen Crores Sixty Nine Lakhs Sixty Two Thousand and Eighty only) out of the Securities Premium Account, General Reserve Account and/or any other permitted reserves / surplus of the Company, as may be considered appropriate.

Article 19B of the Articles of Association of the Company permits capitalisation of any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including securities premium account and capital redemption reserve account), or to the credit of the profit and loss account, or otherwise available for distribution by applying the same towards payment of unissued shares to be issued to the members as fully paid bonus shares.

The Company has not defaulted in payment of interest or principal in respect of fixed deposits, and in respect of the payment of statutory dues of the employees such as contribution to provident fund, gratuity and bonus.

Pursuant to Section 63 of the Companies Act, 2013, the approval of the members is required for issue of bonus equity shares. Accordingly, the special resolution as set out in Item No.1 of the Notice is placed before the members for their approval.

The Board recommends the special resolution as set out in Item No.1 of the Notice for the approval of the members.

Relevant documents referred in this Postal Ballot notice are available for inspection of the members at the Registered Office of the Company during office hours on all working days till 7<sup>th</sup> June 2018.

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1 of this Postal Ballot Notice except to the extent of their shareholding in the Company.

By Order of the Board  
**For L.G. Balakrishnan & Bros Limited**  
**M. Lakshmi Kanth Joshi**  
General Manager cum  
Company Secretary

Coimbatore  
28.04.2018

##### **Notes:**

1. The Board of Directors of the Company has appointed Mr. M.D. Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the postal ballot in a fair and transparent manner.
2. The approval of the shareholders is being sought through the Postal Ballot, pursuant to

Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for which a separate Ballot paper is circulated to the members along with this notice.

3. Voting period commences from 9:00 AM on Wednesday the 9<sup>th</sup> May 2018 to 5:00 PM on Thursday the 7<sup>th</sup> June 2018 for the members exercising their voting either by Postal Ballot or through E-voting within 30 days from date of dispatch of the notice.
4. The Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) as on 4<sup>th</sup> May 2018 (cut-off date).
5. The members whose names appear in the Register of Members/ Record of Depositories as on Friday the 4<sup>th</sup> May 2018 will only be considered for voting. In case a person, who is not a shareholder of the Company as on the cut-off date receives this Notice, the same should be treated as being sent for informative purposes.
6. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the Company’s website [www.lgb.co.in](http://www.lgb.co.in)
7. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed with the Assent (For)/Dissent (Against) in the attached Business Reply envelope so as to reach the Scrutinizer on or before 5:00 PM on Thursday the 7<sup>th</sup> June 2018 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. Hence the members are requested to send the duly completed Postal Ballot Form well before Thursday the 7<sup>th</sup> June 2018, providing sufficient time for postal transit.
8. The result of the Postal Ballot shall be announced on or before 5:00 PM on Saturday, 9<sup>th</sup> June 2018

at the Registered Office of the Company and shall also be displayed on the Company’s website [www.lgb.co.in](http://www.lgb.co.in), on the website of CDSL and will also be communicated to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the stock exchanges where the equity shares of the Company are listed.

9. The Postal Ballot Form and self-addressed, postage pre-paid envelopes are enclosed for use of the shareholders and it bears the address to which the duly completed Postal Ballot Forms are to be sent. The facility of voting by electronic means is being provided by Central Depository Services (India) Limited (‘CDSL’) for which the required procedure is incorporated in the Postal Ballot Notice.
10. The Postal Ballot Notice and Form have been placed on Company’s website [www.lgb.co.in](http://www.lgb.co.in) and CDSL e-voting website [www.evotingindia.com](http://www.evotingindia.com) and will remain on such website until the last date of receipt of the Postal Ballot from members.
11. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on 4<sup>th</sup> May 2018.

#### **INSTRUCTIONS FOR VOTING:**

##### **A. VOTING THROUGH POSTAL BALLOT FORM**

Instructions regarding voting through Postal Ballot Form have been given on the reverse side of the Postal Ballot Form

##### **B. REMOTE E-VOTING FACILITY**

Pursuant to Section 110 of the Companies Act, 2013 and applicable rules made there under, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited (“CDSL”) for facilitating e-voting. Members have option to vote either through e-voting or through the Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.



**The instructions for members for voting electronically are as under: -**

- i. The voting period begins on Wednesday 9<sup>th</sup> May 2018 at 9.00 AM and ends on Thursday the 7<sup>th</sup> June 2018 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> May 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first-time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

**PAN**

Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the

8 digits of the sequence number in the PAN field.

- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

**Dividend Bank Details or Date of Birth (DOB)**

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.

- If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for 'L G Balakrishnan & Bros Limited'.

- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

The Scrutinizer will submit his report after completion of scrutiny, on Saturday, 9<sup>th</sup> June 2018. The Chairman cum Managing Director or Deputy Managing Director will announce the results of the voting by Postal Ballot on or before 5.00 PM Saturday, 9<sup>th</sup> June 2018 at the Registered Office of the Company.

By Order of the Board  
**For L.G. Balakrishnan & Bros Limited**  
**M. Lakshmi Kanth Joshi**  
 General Manager cum  
 Company Secretary

Coimbatore  
 28.04.2018

**Enclosure:**

1. Postal Ballot Form
2. Postage prepaid envelope