




MD	✓		BKC	✓
CS	✓		DPY	AA
RO	✓		DIV	✓
TRA	AA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

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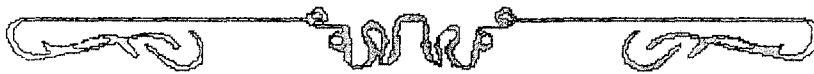
ANNUAL REPORT

1997 - 98

L.G. BALAKRISHNAN & BROS LIMITED



RESPECTFUL HOMAGE
TO OUR BELOVED CHAIRMAN
SRI. L.G. BALAKRISHNAN



1924 - 1998



L.G. BALAKRISHNAN & BROS LIMITED

DIRECTORS

Sri. L.G. Varadarajulu
Sri. B. Vijayakumar - Managing Director
Sri. P.S. Srinivasan
Sri. C. Nachiappan
Sri. A. Selvaraj Palaniswamy
Sri. P. Balasubramanian
Sri. P.S. Balasubramanian - Executive Director
Sri. T. Ramakrishnan - Executive Director
Sri. S. Sivakumar
Sri. V. Govindarajulu

COMPANY SECRETARY

Sri. A. James Chandra Mohan

AUDITORS

M/s. Fraser & Ross
Chartered Accountants

BANKERS

Corporation Bank
Central Bank of India
Union Bank of India
State Bank of India
The Lakshmi Vilas Bank Limited
ANZ Grindlays Bank
HongKong Bank

REGISTERED OFFICE

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





NOTICE

To All Shareholders,

Notice is hereby given that the Forty Second Annual General Meeting of the members of the Company will be held on Saturday, the 31st day of October, 1998 at 4.00 p.m. at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore 641 006, the Registered office of the Company to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 1998, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Sri.P.S.Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri.S.Sivakumar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To Consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

Resolved that Sri.V.Govindarajulu who was appointed as an Additional Director of the Company with effect from 29.06.1998 by the Board of Directors and who holds office upto the date of this ensuing Annual General Meeting under section 260 of the Companies Act 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company.

7. To Consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, Sri.T.Ramakrishnan be and is hereby appointed as Executive Director of the Company for a period of 3 years with effect from 01.10.1998 on the following terms and conditions.



	Rs.
Salary in the scale of Rs. 25000-5000	30,000
House Rent Allowance	6,125
Conveyance Allowance	6,000
Medical Allowance	2,400
	<hr/>
	44,525
	<hr/>

Perquisites :

In addition to the above Sri.T.Ramakrishnan, Executive Director of the Company will also be entitled for the perquisites like vehicle purchase allowances, driver salary allowance, leave travel concession for self and family, club fees, (Subject to a maximum of 2 clubs), personal accident insurance premium not exceeding Rs.1000/-. However the total value of the above perquisites etc., shall not exceed the monthly salary.

Other Benefits :

Benefits under Provident Fund, Superannuation Fund and Gratuity Fund as per rules of the Company and these benefits shall not be included in computing the value of perquisites.

The above remuneration including allowances, perquisites etc. shall however be subject to the overall limit of managerial remuneration for each year as prescribed under section 198 and 309 read with schedule XIII of the Companies Act, 1956 and as amended from time to time.

Resolved further that the Board of Directors be and are hereby authorised to alter or vary the terms of remuneration set out herein above in such manner so as not to exceed the limits specified in schedule XIII or any amendments thereto.

8. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner. After Article 26 the following new Article No.27 be included.

"The Company may buyback from the existing holders of the Shares and/or other securities giving right to subscribe for the shares of the Company on proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities and/or by purchasing the securities issued to the employees pursuant to any scheme, subject to the



rules and regulations as may be permitted by law from time to time and the Board of Directors at their discretion may buy back the shares upon such terms and conditions from/ out of the Company's free reserves or out of the securities premium or out of the proceeds of any issues or from such other sources as may be permitted by law".

9. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

Resolved that subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof and any ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board to buyback, not exceeding 25% of the total voting power relating to the shares or securities from the existing holders of shares and/or other securities, giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and /or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time of the Company for a value of not exceeding Rs.10 crores (Rupees Ten Crores only) from out of its free reserves or out of the securities premium account of the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms and conditions and in such manner, as may be prescribed by law from time to time.

EXPLANATORY STATEMENT:

Item No. 6

Sri.V. Govindarajulu was appointed as an Additional Director of the Company on 29.06.1998 by the Board of Directors of the Company pursuant to the provision of Section 260 of the Companies Act, 1956. Sri.V.Govindarajulu holds office only upto the date of the forth coming Annual General meeting. The Company has received a notice in writing from a member under section 257(1) of the Companies Act, 1956 notifying his intention to propose Sri.V.Govindarajulu as a candidate for the office of the Director.

Having considered the experiences of Sri.V.Govindarajulu in the Industrial arena the Board desires to avail the services of Sri.V.Govindarajulu and accordingly recommend the resolution set out in item no.6 of the Agenda.

None of the Directors is in any way concerned or interested in this resolution except Sri.V.Govindarajulu.

L.G. Balakrishnan & Bros Limited**Item No. 7**

Sri.T.Ramakrishnan has been appointed as Executive Director of the Company with effect from 01.10.1998 by the Board of Directors at their meeting held on 21.09.1998. Considering the background and experience of Sri.T.Ramakrishnan, the appointment as Executive Director would be beneficial to the interest of the organisation. In view of the functions shouldered by the Executive Directors, it would be just and fair to pay the remuneration as set out in Item No.7

None of the Directors except Sri.T.Ramakrishnan is concerned or interested in this resolution.

This may be treated as an abstract of remuneration and memorandum of interest pursuant to section 302 of the Companies Act, 1956. The proposal set out in the notice is placed before the share holders for their approval.

Item No. 8 & 9

Presently buyback of shares and securities by Companies are not allowed. The Government of India has proposed to announce Rules and Regulations for buyback of shares and securities and suitable amendments will be brought into the Companies Act, 1956, to this effect soon. In order to enable the Company to adopt such course of action, as and when necessary, the Articles of Association should be amended suitably.

It has been proposed to buy back not exceeding 25% of the total voting powers relating to the shares or securities for a value of not exceeding Rs.10 Crores (Rupees Ten Crores only). The buy back shall be met out of the free reserves and or security premium account and or out of the proceeds of any issues or from other sources as may be permitted by law.

These resolutions are enabling provisions aimed at facilitating the Company to buy back its shares as soon as legally permissible.

The Board of Directors of the Company recommended these resolutions for your approval.

A copy of the Articles of Association together with all the proposed amendments is available for inspection at the Registered Office of the Company during the office hours of the Company on all working days.

None of the Directors of the Company is in no way concerned or interested in this resolution.

NOTE :

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Register of members and the Share Transfer Register of the Company will remain closed from 21.10.1998 to 31.10.1998 (Both days inclusive).
3. The Notice shall be regarded as an abstract of terms of contract and the Notice of Memoranda of Interest for the purpose of Section 302 of Companies Act, 1956.