



Lambodhara Textiles Limited

Registered Office : 3A, 3rd Floor, B Block, Pioneer Apartments,
1075B, Avinashi Road, Coimbatore, Tamil Nadu – 641 018

Telefax: 91 422 2249038 & 4351083, Email : lambodharatex@gmail.com,

Website: www.lambodharatextiles.com

Dear Members,

NOTICE is hereby given that an Extra-ordinary General Meeting of the Members of the Company will be held on Friday, the 25th day of April, 2014 at 10.00 A.M. at the Coimbatore Cosmopolitan Club, 200, Race Course Road, Coimbatore – 641 018, India to transact the following Special Business:-

The Board of Directors of the Company at its Meeting held on March 12, 2014 have, subject to the consent of Members of the Company, approved the allotment of Equity Shares on a preferential basis to the promoters of the Company. Under the provisions of Section 81(1A) of the Companies Act, 1956, the Company is required to obtain the approval of the Members by way of a Special Resolution for the preferential allotment of equity shares. Accordingly, the Company seeks your consent to the proposed Special Resolution contained in this Notice.

1. Issue of further shares on preferential basis

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof for the time being in force) and the Foreign Exchange Management Act, 1999 and the applicable rules and regulations framed there under (including any amendment thereto or re-enactment thereof for the time being in force) (“FEMA”) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the listing agreement (“Listing Agreement”) entered into by the Company with the BSE Limited, Madras Stock Exchange Limited and Ahmedabad Stock Exchange Limited (“Stock Exchanges”) where the equity shares of the Company are listed and the regulations for preferential issue issued by the Securities and Exchange Board of India (“SEBI”) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment thereto or re-enactment thereof for the time being in force) (“SEBI (ICDR) Regulations”) and other applicable rules, regulations, clarifications and/ or guidelines, if any, of SEBI and any other applicable laws and subject to requisite sanctions, approvals or consents, if any, of the Central Government, Stock Exchanges, SEBI, RBI, banks and financial institutions that have provided finance to the Company (if applicable) and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (which terms shall include any Committee or Managing Director or Officer authorized by the Board) (“Board”) be and is hereby authorized to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent, authority and approval of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorized committee thereof) to create, offer, issue and allot on preferential basis, at its sole and absolute discretion, such number of equity shares of the Company having a face value of ₹ 10/- each (“Equity Shares”) at a price determined in accordance with Chapter VII of the SEBI (ICDR) Regulations on the Relevant Date (as hereinafter defined) or ₹ 150/- per share, whichever is higher, of an amount aggregating to ₹ 2,38,50,000/- (Rupees Two crores Thirty Eight lacs Fifty thousand only) to certain promoters on conversion of unsecured loans taken by the Company from such promoters (Collectively, the “Allottees”), as specified below:

Sl. No.	Name of Allottees (Promoters)	Against loan amount (in ₹)
1.	Mr. Santossh. R	1,90,50,000/-
2.	Ms. Giulia Bosco	48,00,000/-
	Total	2,38,50,000/-

NOTE : THE NUMBER OF SHARES TO BE ALLOTTED TO THE PROMOTERS CAN BE DETERMINED ONLY ONCE THE PRICE PER SHARE IS DETERMINED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS.

“RESOLVED FURTHER THAT the “Relevant Date” in relation to issue of Equity Shares pursuant to this resolution in accordance with the SEBI (ICDR) Regulations be March 26, 2014, being the date 30 days prior to the date of Extra-ordinary General Meeting or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the Equity Shares be issued and allotted to the Allottees within a period of fifteen (15) days from the passing of this Special Resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government or RBI, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the entire pre-issue shareholding of the Allottees, if any, shall be subject to lock-in from the Relevant Date up to a period of six months from the date of receipt of trading approval of the Equity Shares or such other period as may be applicable under the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the Equity Shares issued and allotted to the Allottees on a preferential basis as above shall be subject to lock-in in accordance with the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the Equity Shares issued and allotted to the Allottees on a preferential basis as above, shall be listed and traded on all the Stock Exchanges on which the existing equity shares of the Company are listed.”

“RESOLVED FURTHER THAT the Company is authorized to file all necessary applications, papers and documents with the National Securities Depository Limited and Central Depository Services (I) Limited, the Stock Exchanges or any other authorities for admission of the Equity Shares issued and allotted to the Allottees on preferential basis as above.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the Equity Shares so issued with the Stock Exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authorities of this resolution.”

By Order of the Board
for Lambodhara Textiles Limited

Place : Coimbatore
Date : 12.03.2014

Vimala. R
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING IN THE FORM ENCLOSED HERETO. A PROXY SO APPOINTED SHALL NOT BE ENTITLED TO SPEAK AT THE MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL.
2. The explanatory statement in respect of the resolution proposed pursuant to Section 102 of the Companies Act, 2013, setting out all material facts and the reasons thereto is annexed hereto. The Special Resolution-mentioned herein shall be declared as passed if the number of votes cast in favour of the special resolution is not less than three times the number of votes cast against the special resolution.
3. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company during office hours from 10 A.M. upto 5 P.M.
4. Members who hold Equity Shares in dematerialized form are requested to write their client ID and DP-ID number and those who hold Equity Shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing such representative to attend and vote on their behalf at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, FORMING PART OF THE NOTICE

As required under Section 102 of the Companies Act, 2013, read with Section 81(1A) and other applicable provisions of the Companies Act, 1956, and Companies Act, 2013, (to the extent notified) and SEBI (ICDR) Regulations, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval the proposed Special Resolution on Preferential Issue of Company's Equity Shares.

Issue of further shares on preferential basis

As on date, your Company owes ₹ 2,45,06,317/- to the Allottees towards unsecured loans extended by them to the Company which shall be partly adjusted towards the

share subscription money for the proposed issue of Equity Shares to the extent of ₹ 2,38,50,000/-.

The details of the unsecured loans extended by the promoters prior to and following the issue of Equity Shares to them are set out below:

Sl.No.	Name of Promoter	Amount of outstanding unsecured loans (in ₹)		
		Pre-issue of Equity Shares*	Proposed to be converted	Post-issue of Equity Shares
1.	Mr. Santossh. R.	1,96,06,267/-	1,90,50,000/-	5,56,267/-
2.	Ms. Giulia Bosco	49,00,050/-	48,00,000/-	1,00,050/-
	Total	2,45,06,317/-	2,38,50,000/-	6,56,317/-

* as on the date of Extra-ordinary General Meeting Notice.

The proposed preferential allotment of Equity Shares will be completed strictly in accordance with Chapter VII of the SEBI (ICDR) Regulations and the terms and conditions on which the Equity Shares shall be issued to the Allottees shall only be subject to such changes as may be required to conform to the SEBI (ICDR) Regulations.

Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations and subsequent amendments there to is stated below:

(a) Objects of the Issue

The purpose of the issue of Equity Shares is to convert the unsecured loans availed from the Promoters of the Company so as to maintain the Debt Equity Ratio of the Company, enabling the Company to raise funds for construction of Commercial Complex on the land owned by the Company, which shall be leased and assist the Company in generating Revenues in the form of lease rentals.

(b) Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:

The following persons belonging to the promoter category of the Company do intend to subscribe to the Equity Shares to the extent set out below:

Name of Allottees (Promoters)	No. of Equity Shares to be allotted*	Percentage of post-issue Equity Share capital*
Mr. Santossh. R	1,27,000	2.80
Ms. Giulia Bosco	32,000	0.70
Total	1,59,000	3.50

* **Note: The number of shares and percentage of post-issue shareholding specified above have been calculated @ ₹ 150/- per share. The number of Equity Shares to be issued to the Allottees and the Allottees post-issue shareholding specified above is therefore only indicative and may vary depending on the actual price of the Equity Shares determined in accordance with the SEBI (ICDR) Regulations.**

(c) Shareholding Pattern before and after the issue:

Sl. No	CATEGORY	Pre Issue holding details#		Post Issue holding details*	
		No of shares	% of shares	No of shares	% of shares
A	Promoter Share Holding				
1	Indian Promoters	29,67,553	67.76	31,26,553	68.89
2	Foreign Promoters	-	-	-	-
	Sub-Total (A)	29,67,553	67.76	31,26,553	68.89
B	Public Share holding				
1	Institutions	-	-	14,12,247	31.11
2	Non-Institutions				
A	Bodies Corporate	3,80,964	8.70		
B	Individuals	8,86,569	20.24		
C	Any Others				
	i) Trusts	-	-		
	ii) Clearing Members	5,774	0.13		
	iii) NRI's	41,565	0.95		
	iv) HUF	97,375	2.22		
	Sub Total (B)	14,12,247	32.24		
	Grand Total (A+B)	43,79,800	100.00	45,38,800	100.00

Pre issue shareholding as on March 7, 2013.

* **The number of shares and percentage of post-issue shareholding specified above have been calculated @ ₹ 150/- per share. The number of Equity Shares to be issued to the Allottees and the Allottees post-issue shareholding specified below is therefore only indicative and may vary depending on the actual price of the Equity Shares determined in accordance with the SEBI (ICDR) Regulations.**

d) Proposed time within which the preferential allotment shall be completed

The allotment of Equity Shares is proposed to be completed within a period of 15 days from April 25, 2014, being the date on which the shareholders' sanction is obtained for the preferential allotment of equity shares provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government or RBI, then the allotment shall be completed

by the Company within a period of 15 days from the date on which the Company receives all approvals from the concerned authorities in accordance with the SEBI (ICDR) Regulations.

e) Identity and details of the proposed Allottees:

Sl. No	1	2
Name	Mr. Santossh. R	Ms. Giulia Bosco
Category	Promoter and Managing Director	Promoter and Whole Time Director
Address	Park Residence Apartments, Flat No.9, 2nd Floor, ATT Colony (Tanjana), Coimbatore, 641018, Tamil Nadu, India	613, Manchester Towers, Avinashi Road, Coimbatore, 641037, Tamil Nadu, India
Pre-issue holding*	12,83,253	2,00,000
% of Pre-issue holding	29.30	4.57
No. of shares proposed for allotment*	1,27,000	32,000
Post issue holding*	14,10,253	2,32,000
% of Post issue holding*	31.07	5.11

* **The number of shares and percentage of post-issue shareholding specified above have been calculated @ Rs. 150/- per share. The number of Equity Shares to be issued to the Allottees and the Allottees post-issue shareholding specified below is therefore only indicative and may vary depending on the actual price of the Equity Shares determined in accordance with the SEBI (ICDR) Regulations.**

f) Pricing of the Issue and relevant Date

As per Chapter VII of the SEBI (ICDR) Regulations, issue of Equity Shares on a preferential basis to an investor, shall be made at a price not less than higher of the following:

- ❖ The average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the twenty six weeks preceding the relevant date or
- ❖ The average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date.

The "Relevant Date" for determining the issue price of the preferential issue of Equity Shares to the Allottees shall be March 26, 2014, being the date which is 30 days prior to the date of Extraordinary General Meeting i.e., April 25, 2014.

The Stock Exchange shall be the stock exchange where the highest trading volume in respect of the shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date in accordance with the provisions of the SEBI (ICDR) Regulations.

The price of the Equity Shares as computed on the basis set out above as on the Relevant Date or Rs. 150/- per Equity Share, whichever is higher, will be ultimately considered for arriving at the calculation of number of Equity Shares to be issued and allotted to Allottees and the Equity Shares may be issued at that price.

g) Change in Control or composition of the Board:

The allotment of Equity Shares to the Allottees would not result in any change in control over the Company or the management of the affairs of the Company and the existing promoters and directors of the Company will continue to be in control of the Company and its affairs.

h) Auditors' Certificate:

The price at which the Equity Shares would be issued to the Allottees cannot be exactly determined before issue of this notice to the shareholders, as it depends on the average of the market prices prevailing in the preceding 2 weeks or twenty six weeks of the Relevant Date as per the SEBI (ICDR) Regulations or ₹ 150/- per Equity Share, whichever is higher. Hence, the Auditors' Certificate required under Regulation 73(2) of SEBI (ICDR) Regulations will be made available for inspection at the Extra-ordinary General Meeting.

i) Lock-in of proposed issue of Equity Shares:

The Equity Shares allotted on preferential basis to Promoters shall be subject to 'lock-in' for three years from the date of receipt of trading approval as per Regulation 78 (1) of the SEBI (ICDR) Regulations.

Provided that not more than twenty per cent of the total capital of the Company shall be locked-in for three years from the receipt of trading approval.

j) Undertaking:

In terms of SEBI (ICDR) Regulations, the Company hereby undertakes that:

- ❖ The Company shall re-compute the price of Equity Shares in terms of the provisions of SEBI (ICDR) Regulations where it is required to do so.
- ❖ If the amount payable on account of the re-computation of the price is not received within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares shall continue to be locked-in till the time the Allottees provide their consent for such transfer of amount.

k) Compliances

The Company has complied with the requirements of listing agreement including Clause 40A, i.e., maintaining a minimum of 25% of the paid up capital in the hands of public.

l) Holding of shares in demat form, non disposal of shares by the proposed allottees

The entire shareholding of the Allottees in the company, is held by them in dematerialized form. The entire pre preferential allotment shareholding of Allottees shall be under lock-in from the relevant date up to a period of six months from the date of receipt of trading approval for the proposed Equity Shares. The Allottees who have sold their Equity Shares during the six months period prior to the Relevant Date shall not be eligible for allotment of Equity Shares on preferential basis.

m) SEBI (Substantial Acquisition of Shares and Takeovers (Regulations), 2011

In the present case the proposed promoters will not attract the provisions of SEBI (Substantial Acquisition of Shares and Takeovers (Regulations), 2011, and therefore are not under obligation to make an open offer to the public.

n) Approvals

The Company will take necessary steps to obtain the required approvals from the Stock Exchanges, SEBI, FIPB, RBI or any other regulatory agency as may be applicable for the proposed preferential issue of Equity Shares.

Approval under the Companies Act, 1956

Section 81(1A) of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of Special Resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, SEBI Guidelines or Regulations and the provisions of the Listing Agreement with the Stock Exchanges for authorizing the Board to offer, issue and allot Equity Shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

A statement pursuant to Section 102 of the Companies Act, 2013, is provided hereunder:

None of the Directors, Managers, Key Managerial Personnel of the Company and their respective relatives have any interest, financial or otherwise, in the proposed resolution, except Mr. Santossh. R, Managing Director and Ms. Giulia Bosco, Whole Time Director of the Company, in the capacity as proposed Allottees and Ms. Vimala Radhakrishnan, a relative of the Allottees who holds 21,000 Equity Shares of the Company.

The Directors recommend the resolution for the approval of the members.

By Order of the Board
for **Lambodhara Textiles Limited**

Place : Coimbatore
Date : 12.03.2014

Vimala. R
Director



Lambodhara Textiles Limited

Registered Office : 3A, 3rd Floor, B Block, Pioneer Apartments,
1075B, Avinashi Road, Coimbatore, Tamil Nadu – 641 018

ATTENDANCE SLIP

I hereby record my presence at the Extra-ordinary General Meeting of the Company held on Friday, the 25th day of April, 2014 at 10.00 a.m. at The Coimbatore Cosmopolitan Club, 200, Race Course Road, Coimbatore – 641 018.

.....
Full name of Share Holder (In Block Letters)

.....
Signature of Shareholder

Folio No. :

No. of Shares held

.....
Full name of Proxy (In Block Letters)

.....
Signature of Proxy

Note : Shareholders attending the Meeting in Person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall. Only Members or their Proxies are entitled to be present at the Meeting.

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Lambodhara Textiles Limited

Registered Office : 3A, 3rd Floor, B Block, Pioneer Apartments,
1075B, Avinashi Road, Coimbatore, Tamil Nadu – 641 018

PROXY FORM

Folio No.

I / Weof being a member / members of Lambodhara Textiles Limited do hereby appointor failing himof as my / our proxy and to vote for me / us on my / our behalf at the Extra - ordinary General Meeting of the Company to be held on Friday, the 25th day of April, 2014 and at any adjournment thereof.

Date

Signature

Affix
₹ 1/-
Revenue
Stamp

Note : Proxy Form duly stamped must reach the Company's Registered Office not less than 48 hours before commencement of the Meeting. The Proxy need not be a member of the Company.