



GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Regd. Office – C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001
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POSTAL BALLOT NOTICE

Dear Members,

Notice is hereby given in accordance with the provision of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 that the Resolution mentioned below is proposed to be passed by Postal Ballot:

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

Issue of Bonus Shares

RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulations'), including any amendment of the Act and/or the Regulations or re-enactment of the Act, and the enabling provisions of the Articles of Association of the Company and subject to such approval(s), as may be necessary from any authority, consent be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall be deemed to include any Committee thereof) by capitalization of a sum of Rs. 7,11,41,155/- (Rupees Seven Crore Eleven Lacs Forty One Thousand One Hundred and Fifty Five) from the General Reserve Account of the Company for the purpose of issue of Bonus Shares of Rs.10/- (Rupees Ten) each credited as fully paid-up Ordinary Shares to the holders of the Ordinary Shares of the Company as on the 'Record Date' to be determined by the Board for the purpose, in the proportion of One Bonus Share of Rs.10/- each for every existing two fully paid-up Ordinary Share of Rs.10/- 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 Share Capital of the Company held by each such Member, and not as income.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank *pari passu* in all respects with the fully paid-up Ordinary Shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend in respect of any financial year up to and including March 31, 2010.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall 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 and that in the case of Members who hold Ordinary Shares in dematerialised 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 Ordinary Shares in certificate form, the Share Certificate(s) in respect of the Bonus Shares shall be dispatched, within the prescribed time.

RESOLVED FURTHER THAT no fraction, if any, arising out of the issue and allotment of the Bonus Shares shall be allotted and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, if any, shall be consolidated and that the Bonus Share(s), in lieu thereof, shall be allotted by the Board to a nominee(s)

to be appointed by the Board, who shall hold the same as trustee(s) for the members entitled thereto, and shall sell the said shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting therefrom the cost and expenses in respect of such sale, for distribution to the members in proportion to their fractional entitlements.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such Bonus Shares on the Stock Exchanges where the Ordinary Shares of the Company are listed in terms of the Listing Agreement and other applicable guidelines, rules or regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and 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 fit or desirable and its decision shall be final and binding.

By Order of the Board of Directors
For Gillanders Arbuthnot And Company Limited

Date: July 30, 2010

Place : Kolkata

Dhananjoy Karmakar
Company Secretary

NOTES:

1. The Company has appointed **Mrs. Mamta Binani, a Company Secretary, as Scrutinizer** for conducting the Postal Ballot process in a fair and transparent manner.
2. You are requested to peruse the instructions printed on the Postal Ballot Form and return the same duly completed, in the enclosed self addressed envelope, so as to reach the Scrutinizer **on or before Wednesday, September 01, 2010**. Postal Ballot Form received after the said date will not be considered.
3. The members are requested to exercise their voting rights by using the enclosed Postal Ballot Forms only.
4. The Scrutinizer shall submit his report to Mr. A. K. Kothari, Chairman of the Company, after completion of the scrutiny and the results of the postal ballot will be announced through a press release on **Friday, September 03, 2010**.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is appended hereto and forms part of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Board of Directors of the Company at its meeting held on July 30, 2010 has recommended the issue of Bonus Shares in proportion of one fully paid up Ordinary Shares of Rs.10/- each, for every two fully paid up Ordinary Shares of the Company held by the members as on the 'Record Date' to be determined by the Board of Directors by capitalizing a sum of Rs. 7,11,41,155/- (Rupees Seven Crore Eleven Lacs Forty One Thousand One Hundred and Fifty Five only) standing to the credit of the General Reserve Account of the Company as per the Audited Accounts of the Company for the financial year ended March 31, 2010.

The Bonus Shares on allotment shall rank *pari passu* with the existing Ordinary Shares of the Company provided however that such Bonus Shares shall not be entitled to any dividend in respect of any financial year up to and including March 31, 2010.

No Allotment Letter(s) will be issued by the Company. The fully paid up Bonus Shares shall be distributed to the members of the Company whose names shall appear on its Register of Members in respect of shares held in physical form, and whose names shall appear as beneficial owners as per details to be furnished by the Depositories in respect of shares held in dematerialized form, as on 'Record Date'.

Fractional shares, if any, arising out of the issue and allotment of the Bonus Shares shall be consolidated and allotted to the nominee(s) to be appointed/nominated by the Board of Directors. The nominee(s) shall act as trustee(s) and shall sell the shares at the prevailing market rate and pay to the Company the net sale proceeds for distribution to members in proportion to their fractional entitlement(s).

The Bonus Shares will be listed and traded at the Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and the National Stock Exchange of India Limited subject to the approval of said Stock Exchanges and other concerned authorities.

The present paid up Capital of the Company is Rs.16,22,82,310/- (Rupees sixteen crores twenty two lakhs eighty two thousand three hundred ten only) divided into 1,42,28,231 Ordinary Shares of Rs.10/- each and 2,00,000, 8% Cumulative Redeemable Preference Shares of Rs. 100/- each. Post Bonus Issue the paid up capital of the Company would be Rs. 23,34,23,460/- (Rupees Twenty Three Crore Thirty Four Lacs Twenty Three Thousand Four Hundred Sixty only) divided into 2,13,42,346 Ordinary Shares of Rs.10/- each and 2,00,000, 8% Cumulative Redeemable Preference Shares of Rs. 100/- each.

Your Directors recommend this resolution for your approval, by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

The Directors of your Company are interested in this Resolution to the extent of their respective holdings of shares in the Company and/or shares held by their relatives or companies in which they are shareholder(s) or Director(s).

By Order of the Board of Directors
For Gillanders Arbuthnot And Company Limited

Date: July 30, 2010
Place : Kolkata

Dhananjay Karmakar
Company Secretary