

LANCO INDUSTRIES LIMITED

Regd. Office: Rachagunneri – 517641, Srikalahasthi Mandal, Chittoor District, A.P. India
Website : www.lancoindustries.com, CIN : L74999AP1991PLC013391

NOTICE

NOTICE is hereby given that Twenty Second Annual General Meeting of Lanco Industries Limited will be held at the Registered Office of the Company at Rachagunneri, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh on Saturday, the 27th day of September, 2014 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended as on that date, together with the Auditors' Report and Directors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri.S.Y.Rajagopalan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and for this purpose to consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"Resolved that pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s K.R. Bapuji & Co, Chartered Accountants (Registration No. 000395S), Hyderabad be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at a remuneration to be decided mutually between the Board of Directors and the Auditors including reimbursement of out of pocket expenses".

SPECIAL BUSINESS :

5. To change the name of the Company and in this regard to consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and rules there under (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Registrar of Companies, Andhra Pradesh and any other authority as may be necessary, the consent of the shareholders of the Company be and is hereby accorded to change the name of the Company from "Lanco Industries Limited" to "Srikalahasthi Pipes Limited", and that the name of "Lanco Industries Limited", wherever it appears in Memorandum, Articles, Statutory records and Registers, Documents, Contracts, Agreements, Approvals etc., or any other documents whatsoever be substituted by the new name "Srikalahasthi Pipes Limited" in due course."

"RESOLVED FURTHER THAT any Director or the Company Secretary of the Company is hereby authorized severally to do all such acts and things as may be deemed necessary to change the name of the Company."

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

“RESOLVED THAT subject to the provisions of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.G.Maruthi Rao (DIN : 00083950) be and is hereby appointed as a non-executive and Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and/or Committees and profit related commission in terms of applicable provisions of the Companies Act, 2013, as determined by the Board from time to time.”

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

“RESOLVED THAT subject to the provisions of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.R.K.Khanna (DIN :05180042) be and is hereby appointed as a non-executive and Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and/or Committees and profit related commission in terms of applicable provisions of the Companies Act, 2013, as determined by the Board from time to time.”

8. To approve the payment of remuneration to non-executive Directors and in this regard to consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), any or some of the non-executive directors of the Company (i.e. directors other than the Managing Director and / or the Whole-time Directors), as the Board of Directors may from time to time determine be paid remuneration, in addition to the sitting fees for attending the meetings of the Board of Directors or Committees thereof, not exceeding in aggregate one percent of the net profits of the Company, as computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the relevant financial year, subject to a maximum limit to be decided by the Board every year starting from the FY 2014-15.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To approve increase in the payment of remuneration to Managing Director and in this regard to consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution :

“RESOLVED THAT in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration by way of commission being paid to Shri Mayank Kejriwal, Managing Director of the Company be increased from 3% of the net profits of the Company to 5% of the net profits of the Company as computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the relevant financial year, subject to a maximum limit to be decided by the Board every year starting from the FY 2014-15, till expiry of his present term.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Lanco Industries Limited

A.R.Surana
Sr.General Manager - Finance
& Company Secretary

Place: Chennai.

Dated: 28th July, 2014

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself / herself. The proxy, so appointed, need not be a member of the company. In order to be effective, the proxy form(s) duly completed and signed should reach the registered office of the company at least 48 hours before the commencement of the meeting. A person shall not act as a proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. The explanatory statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business as set out in the Notice and intimation required to be furnished as per Clause 49 of the Listing Agreement are annexed hereto.
3. The register of members and the Share Transfer Books of the Company shall remain closed from 21st September, 2014 to 27th September, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the FY 2013-14. The cut-off date for determining voting rights for e-voting on resolutions that will be listed for Annual General Meeting will be 22nd August, 2014.
4. Dividend in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on the closing hours of business on 20th September, 2014 as per the downloads furnished to the Company by Depositories for this purpose.

In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members as on 27th September, 2014.

5. Members are requested to furnish their Bank Account details, change of address etc., to the Registrar and Share Transfer Agents in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
6. Members desirous of getting any information in respect of the Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting as also the Attendance Slip duly filled in for attending the meeting.
7. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.
b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
8. Equity Shares of the Company fall under the category of compulsory demat trading by all investors. Considering the advantages of scripless trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience.
9. Members who have not received their dividend paid by the Company in respect of earlier years are requested to check with the Company's Registrar & Transfer Agent – Karvy Computer Share Pvt. Ltd., Plot No.17-24, Beside Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Members are requested to note that in terms of Section 124 (2) of the Companies Act, 2013, dividend declared by the Company, for earlier years, which remain unclaimed for a period of 7 years from the date when it first became due for payment will be transferred on due dates for transfer of such unclaimed dividends to the Central Government to the credit of the Investor Education & Protection Fund. Thereafter, no claim shall be entertained in respect of the dividend transferred to the Fund.
Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company/Registrar.
10. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company will provide/host the required details of unclaimed amounts referred under Section 124 (2) of the Companies Act, 2013 on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.
11. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

12. Members may also note that the Annual Report and the Notice of the Annual General Meeting will also be available on the Company's website www.lancoindustries.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost.
13. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the Board Resolution/ Power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
14. Members are requested to give us their valuable suggestions for improvement of our investor services.
15. Voting through electronic means :
 - a) The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice calling for the Annual General Meeting by "Electronic Means" and all the businesses may be transacted through e-voting services in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - b) Voting rights are reckoned on the basis of the shares registered in the names of the members/beneficial owners as on the cut-off date fixed for this purpose i.e. 22nd August, 2014.
 - c) The Company has appointed Mr.S.Chidambaram, Company Secretary in Practice as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 - d) Members are requested to read the instructions given below for e-voting :-

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Attendance slip of AGM/E-mail. Your folio/DP Client ID will be your User-ID.

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|-----------|---|
| User – ID | For Members holding shares in De-mat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- <u>Event No.</u> followed by Folio Number registered with the company |
| Password | Your Unique password is printed on the Attendance Slip / via email forwarded through the electronic notice |
| Captcha | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

- iii) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online from **9.00 am on 21st September, 2014 to 5.00 pm 23rd September, 2014.**
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in De-mat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z).one lower case (a-z), one

numeric value (0-9) and a special character. Kindly note that this password can be used by the De-mat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID, etc on 1st login. You may also enter the Secret Question and Answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii) You need to login again with the new credentials.
 - viii) On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.
 - ix) If you are holding shares in De-mat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
 - x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'
 - xi) 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.
 - xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xiii) Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to schid285@gmail.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no.".
- e) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in Favour" or "Against", if any, forthwith to the Company.
- f) Results declared along with the Scrutinizer's Report will be placed on the Company's website www.lancoindustries.com within two days of passing of resolutions at the AGM and communicated to the Stock Exchanges where Company's shares are listed.

Place: Chennai.
Dated: 28th July, 2014

A.R.Surana
Sr.General Manager - Finance
& Company Secretary

(EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013)

Item No.5:

The Directors of the Company believe that as the core business activity of the Company is manufacturing and selling of Ductile Iron Pipes, it is prudent to reflect the core business in the name of the Company. In order to reflect the main business activity of the Company in its name and the Unit being located at Srikalahasthi, the Board of Directors of the Company are in accord for changing the name of the Company from "Lanco Industries Limited" to "**Srikalahasthi Pipes Limited**".

The Directors also feel that the Company will still enjoy better market reputation and customer's reliance upon change of name, which is consequential to the modification/alteration in the name of the Company.

On an application made by the Company, the Registrar of Companies confirmed the availability of the proposed name, however, subject to the approval of the same by a special Resolution by the members, and approval of the Registrar of Companies.

With the change of name as proposed, if approved, the share certificates will be required to be exchanged with new certificates and with the new name of the Company inserted by replacing the same scrip and consecutive numbers and all other documents as applicable, as per the provisions of the Companies Act, 2013.

None of the Directors or key managerial personnel of the Company or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise in the resolution as set out in Item No.5 of the Notice.

The Directors recommend the special resolution set forth in the Notice above for the approval of the members.

Item No.6 & 7:

The Companies Act, 2013, inter alia, prescribed certain specific procedures for selection, appointment and remuneration of Independent Directors (IDs), besides their term can be for a period upto five consecutive years and are not liable to retire by rotation during this period.

Accordingly, the following Directors appointed earlier in terms of the erstwhile applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, are proposed to be appointed as non-executive independent director for a term of five consecutive years, in compliance with the provisions of Companies Act, 2013.

| Item No. | Name of the Director | Earlier appointment |
|----------|--|--|
| 6 | Mr.G.Maruthi Rao, Non-executive Independent Director | Co-opted as a Director of the Company on 30 th March, 2002. He is a member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. |

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| 7 | Mr.R.K.Khanna, Non-executive Independent Director | Co-opted as a Director of the Company on 9 th February, 2013. He is the Chairman of the Audit Committee and a member of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. |
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In terms of Clause 49 (IV) (G) of the Listing Agreement with the Stock Exchanges, a brief profile of these Directors, who are proposed to be appointed as Directors in this meeting for a term of five years in terms of the applicable provisions of the Act, 2013, nature of their expertise in specific functional areas, their other directorships and committee membership are appended to the Notice annexed hereto.

The aforesaid Directors satisfy the criteria and other attributes for appointment as IDs as per the requirements of the Companies Act, 2013 and, being eligible, offer themselves for appointment, for a term of five consecutive years from the conclusion of the AGM.

Both the Nomination and Remuneration Committee and the Board were of the Opinion, after evaluation of their performance and other attributes, that their continued association would be of immense benefit to the Company and it is desirable to avail their services as IDs for the said term of five consecutive years. Both the directors fulfill the terms and conditions specified under the Act, 2013 and rules made thereunder for the appointment as IDs by the shareholders and are independent of the management. The IDs are entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees and profit related commission in terms of Section 197 and other applicable provisions of the Companies Act, 2013, as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013.

Notices have been received from member of the Company under Section 160 of the Companies Act, 2013 along with requisite deposit amount signifying the intention to propose the candidatures of the aforesaid IDs and to move the resolutions set out in item Nos. 6 & 7 in the Notice to be approved by the shareholders, by way of Ordinary Resolution.

Except Mr.G.Maruthi Rao & Mr.R.K.Khanna, none of the other Directors or key managerial personnel of the Company or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise in their respective resolutions for appointment as set out in Item Nos. 6 & 7 of the Notice.

Item No.8:

Under the Companies Act, 2013, Directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of Directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

Section 197 of the Act provides for payment of remuneration to the directors as under:

- (a) Payment of remuneration to more than one managing director / whole-time director shall not exceed 10% of the net profits of the Company to all such directors; and
- (b) Payment of remuneration to directors who are neither managing directors nor whole-time directors (that is non-executive directors) shall not exceed 1% of the net profits of the Company.

The Board of Directors of the Company has, subject to the approval of members of the Company, proposed to remunerate any or some of the Non-executive Directors (i.e. directors other than the Managing Director and the Whole-time Directors), as decided by the Board from time to time, not exceeding in aggregate one percent of the net profits of the Company for each financial year, starting from the FY 2014-15 as computed in the manner laid down in Section 198 of the Act; and the said remuneration to Non-executive Directors shall be in addition to the sitting fees payable to them for attending meetings of the Board and Committees thereof.

Except the non-executive directors to whom the payment of remuneration is proposed, none of the other Directors or key managerial personnel of the Company or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise in the resolution set out at Item No.8 of the Notice.

The Directors recommend the special resolution set forth in the Notice above for the approval of the members.

Item No.9:

The Board of Directors at its meeting held on 27th April, 2012 and the Shareholders at the Annual General Meeting of the Company held on 27th August, 2012 had approved payment of remuneration not exceeding 3% of net profits of the Company within the overall limits specified in the provisions of erstwhile Companies Act, 1956 to Shri Mayank Kajriwal, Managing Director of the Company till the period of his tenure.

In view of the contributions made by Shri Mayank Kejriwal in taking the Company to the new heights and considering his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the Company, the Nomination and Remuneration Committee of the Company at its meeting held on 3rd May, 2014 felt it appropriate to increase the overall remuneration payable to him by way of commission from 3% of the net profits of the Company to 5% of the net profits starting from the FY 2014-15 till expiry of his present term and accordingly recommended the same for the approval of the Board.

The Board of Directors of the Company, subject to the approval of members of the Company, proposed to increase the remuneration payable to Srhi Mayank Kejriwal, Managing Director from 3% of the net profits of the Company to 5% of the net profits of the Company starting from the FY 2014-15, till expiry of his present term, as computed in the manner laid down in Section 198 of the Companies Act, 2013. The said increase in the remuneration of Managing Director is within the overall limits prescribed under Section 197 of the Companies Act, 2013.

The Committee members discussed the matter and thereafter recommended for the approval of the Board the proposed increase in the overall ceiling of payment of remuneration payable to the Managing Director from 3% of the net profits of the Company to 5% with effect from the FY 2014-15, as computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013, which is now placed before the shareholders for their approval.

Except Shri Mayank Kejriwal, Managing Director, none of the other Directors or key managerial personnel of the Company or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise in the resolution set out at Item No.9 of the Notice.

By Order of the Board
For Lanco Industries Limited

A.R.Surana
Sr.General Manager - Finance
& Company Secretary

Place: Chennai.
Dated: 28th July, 2014

Intimation required to be furnished as per Clause 49 of the Listing Agreement:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

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| Name of Director(s) | Shri.G.Maruthi Rao | Shri.S.Y.Rajagopalan | Shri.R.K.Khanna |
| Date of Birth | 14 th April, 1939 | 21 st November, 1934 | 19 th October, 1952 |
| Date of earlier appointment | 30 th March, 2002 | 7 th May, 2011 | 9 th February, 2013 |
| Qualifications | BSc. (Hons.) | FCA | Graduate in Management, Finance, Certificate in Infrastructure & Housing Finance from USA |
| Special Expertise | Expertise in Administrative and General Management. | Expertise in Financial Management & Corporate and related laws. | Expertise in Financial Management & Infrastructure development. |
| Directorship in other Public Limited Companies. | - | Electrosteel Castings Limited. | Electrosteel Steels Limited |
| Membership in other Board Committees : 1) Audit Committee | - | - | Chairman - Audit Committee |
| 2) Remuneration Committee | - | - | - |
| 3) Stakeholders' Relationship Committee | - | - | - |