

# SRICALAHASTHI PIPES LIMITED

(Formerly Lanco Industries Limited)

Regd. Office: Rachagunneri-517641, Srikalahasthi Mandal, Chittoor District, A.P. India

Website: www.srikalahasthipipes.com, CIN: L74999AP1991PLC013391

## NOTICE

**NOTICE** is hereby given that Twenty Third Annual General Meeting of Srikalahasthi Pipes Limited will be held at the Registered Office of the Company at Rachagunneri, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh on Monday, the 24th day of August, 2015 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, 2015 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 G.S. Rathi (DIN: 00083992 ) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.Y. Rajagopalan (00067000) who retires by rotation and being eligible, offers himself for re-appointment.
5. 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, as amended from time to time and pursuant to the recommendations of the Audit Committee , 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 twenty fifth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM held after this AGM) at a remuneration to be decided mutually between the Board of Directors and the Auditors including reimbursement of out of pocket expenses".

### SPECIAL BUSINESS:

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, Ms.S.Hemamalini (DIN : 01947327) who has been appointed by the Board of directors with effect from 17th March, 2015 and who holds office up the date of ensuing AGM and in respect of whom the Company has received a Notice in writing from a member proposing her candidature for office of Director, 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.”

“RESOLVED FURTHER THAT Ms. S. Hemamalini shall not be considered as a director liable to retire by rotation unless she is disqualified to be an independent director before the expiry of five years in terms of Section 152 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) of enactment thereof, for the time being in force, M/s. Narasimhamurthy & Co., a firm of Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March, 31, 2016 at a remuneration of Rs. 1,25,000 (Rs. One Lac Twenty Five Thousand only) plus service tax and reimbursement of out of pocket expenses at actual.”

“RESOLVED FURTHER THAT the Board of Directors of the Company 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”

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

“RESOLVED THAT pursuant to section 188 and any other applicable provisions of the Companies Act, 2013 and any other applicable rules and regulations prescribed thereto and Clause 49 of the Listing Agreement with Stock Exchanges, including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authority(ies) while granting such approvals, which may be agreed to by the Board of Directors (hereinafter referred to as the ‘Board’ which term shall be deemed to include any Committee which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution), consent of the Company be and is hereby accorded, for entering into related party transactions with Electrosteel Castings Ltd (Associate Company) as given below, and such other transactions as required in connection to efficiently carry out the operations of the Company even when such transaction value exceeds the prescribed limits as specified in Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, for the period 1st April, 2015 till 30th September, 2016.

- A) Purchases & Services to be received (Limit of Rs. 100 crores per annum for the period 1st April 2015 till 30th September, 2016)
- a) Purchase of D.I.z Pipes & Fitting, Coal / Coke of different varieties including coal rejects, midlinks etc.
- b) Iron-ore and other raw materials or ancillary items for the business of the Company.
- c) Rent agreements for hiring of space of any type in connection with the business of the Company (not exceeding in aggregate of Rs.

- 5 crore within the aggregate limit given in (A) above)
- d) All types of services to be received in connection with the business of the Company.
- B) Sales/ Services to be rendered (Limit of Rs. 125 Crores per annum for the period 1st April 2015 till 30th September, 2016)
- a) Sale of D.I. Pipes & Fittings, Pig Iron, Coal/ Coke, MS Scrap or any other goods.
- b) Conversion of coal into coke
- c) All other types of services to be rendered in connection with the business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary and to do all such acts, deeds and things that may be necessary, proper or expedient for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to Sections 149, 152, 196 and 197 of the Companies Act, 2013 and Schedule V read together with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded for the appointment of Mr. Gouri Shankar Rathi (DIN: 00083992 ) as a Wholetime Director of the Company for a period of (5) five years liable to retire by rotation, with effect from 1st July, 2015 on the remuneration and terms and conditions as set out in the explanatory statement annexed to this notice.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

By Order of the Board  
For **Srikalahasthi Pipes Limited**

**A.R. Surana**  
Chief Financial Officer &  
Company Secretary

Place : Chennai  
Dated: 25th July, 2015

**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 18th August, 2015 to 24th August, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the FY 2014-15. The cut-off date for determining voting rights for e-voting on resolutions that will be listed for Annual General Meeting will be 17th August, 2015.
  4. Dividend in respect of equity shares for the financial year ended 31st March, 2015, as recommended by the Board, if approved by the members will be paid within a period of 30 days from the date of declaration of dividend to the beneficial owners of shares whose names appear in the Register of members of the Company as on the closing of business hours on 17th August, 2015 as per the downloads furnished to the Company by Depositories for this purpose.
  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 de-mat trading by all investors. Considering the advantages of scripless trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience.
- 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. Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032. 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 by the Company to a fund called "Investor Education and Protection Fund" (IEPF), set up by the Central Government.

Accordingly, the unpaid/unclaimed dividend for the financial years 2007-08 onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend accounts of the Company to IEPF and thereafter, no claim shall be entertained in respect of the dividend transferred to the Fund. The details of unclaimed dividend transferable to the said Fund are given below:

Year	Dividend per share (Rs.)	Date of declaration	Proposed date of transfer to IEPF account
2007-08	1.00	27.08.2008	26.09.2015
2008-09	1.00	28.08.2009	27.09.2016
2009-10	1.50	25.08.2010	24.09.2017
2010-11	1.50	25.08.2011	24.09.2018
2011-12	Nil	–	–
2012-13	Nil	–	–
2013-14	1.50	27.09.2014	27.10.2021

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.

9. 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.
10. 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.

11. 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.srikalahasthipipes.com](http://www.srikalahasthipipes.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.
12. 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.
13. Members are requested to give us their valuable suggestions for improvement of our investor services.
14. Voting through electronic means : Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Amendment Rules, 2015 of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 17th August, 2015 are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on Friday, 21st August, 2015 and will end at 5.00 p.m. on



Sunday, 23rd August, 2015. The Company has appointed Mr. S. Chidambaram, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.

**Procedure for remote e-voting:**

I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

- a) In case of Members receiving an e-mail from Karvy:
  - i) Launch an internet browser and open <https://evoting.karvy.com>.
  - ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii) After entering the above details Click on – Login.
  - iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that

you take utmost care to keep your password confidential. You need to login again with the new credentials.

- v) On successful login, the system will prompt you to select the E-Voting Event
  - (vi) Select the EVENT of Srikalahasthi Pipes Limited and click on – Submit .
  - (vii) Now you are ready for e-voting as ‘Cast Vote’ page opens.
  - viii) Cast your vote by selecting appropriate option and click on ‘Submit’. Click on ‘OK’ when prompted.
  - ix) Upon confirmation, the message ‘Vote cast successfully’ will be displayed.
  - x) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [schid285@gmail.com](mailto:schid285@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”
- b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip.
  - i) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
–	–	–

- ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) under I (a) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Monday, 17th August, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Friday, 21st August, 2015 and will end at 5.00 p.m. on Sunday, 23rd August, 2015. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID by approaching the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
- Example for NSDL : MYEPWD <SPACE>  
IN12345612345678
- Example for CDSL : MYEPWD <SPACE>  
1402345612345678
- Example for Physical: MYEPWD <SPACE>  
XXX1234567
- b) If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Member may call Karvy's toll free number 1-800-3454-001.
- d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- IX. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company and shall be sent to Stock Exchanges where the shares of the Company are listed.

By Order of the Board  
For **Srikalahasthi Pipes Limited**

**A.R. Surana**  
Chief Financial Officer &  
Company Secretary

Place : Chennai  
Dated: 25th July, 2015

## ANNEXURE TO THE NOTICE

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

#### Item No. 6

Ms. S. Hemamalini was appointed as additional director vide resolution by circulation on 17th March, 2015 in terms of Section 161 of the Companies Act, 2013 read with Clause 93 of the Articles of Association of the Company, who holds office of the director up to the date of ensuing Annual General Meeting of the Company. Keeping in view of the experience and expertise of Ms.S.Hemamalini, it is proposed to appoint her as non-executive independent director (ID) for a term of five consecutive years, in compliance with the provisions of Companies Act, 2013.

In terms of Clause 49 (IV) (G) of the Listing Agreement with the Stock Exchanges, a brief profile of Ms.S.Hemamalini, who is proposed to be appointed as Director in this meeting for a term of five years in terms of the applicable provisions of the Act, 2013, nature of her expertise in specific functional areas, other directorships and committee membership are provided at the end of the Notice.

Ms. S. Hemamalini satisfies the criteria and other attributes for appointment as independent director (ID) as per the requirements of the Companies Act, 2013 and, being eligible, offer herself for appointment, for a term of five consecutive years from the conclusion of the AGM.

The Company has received a declaration from Ms. S. Hemamalini that she meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of her performance and other attributes, that her continued association would be of immense benefit to the Company

and it is desirable to avail her services as independent director for the said term of five consecutive years. She fulfills the terms and conditions specified under the Act, 2013 and rules made there under for the appointment as ID by the shareholders and is independent of the management. She is 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.

Notice has been received from a member of the Company under Section 160 of the Companies Act, 2013 along with requisite deposit amount signifying the intention to propose the candidature of Ms. S. Hemamalini and to move the resolution set out in item No.6 in the Notice to be approved by the shareholders, by way of Ordinary Resolution.

Copy of draft letter of appointment of Ms. S. Hemamalini as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during 10:00 A.M. to 3:00 P.M. on all working days till the date of AGM.

Accordingly, the Board recommends the resolution in relation to appointment of Ms. S.Hemamalini an Independent Director, for approval by the shareholders of the Company.

None of the Directors or key managerial personnel of the Company or their relatives except Ms. S. Hemamalini for her appointment as Independent Director is concerned or interested, financially or otherwise in the resolution as set out in Item No.6 of the Notice.



### **Item No. 7**

The Board of Directors, on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. Narasimhamurthy & Co., a firm of Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 at a remuneration of Rs. 1,25,000 (Rs. One Lac Twenty Five Thousand only) plus Service Tax and reimbursement of out of pockets expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out in Item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No. 7 of the Notice above by way of ordinary resolution.

None of the Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution as set out in Item No. 7 of the Notice.

### **Item No. 8**

Pursuant to Section 188 of the Companies Act, 2013 and the rules made thereunder, every Company having paid up Share Capital of Rs. 10 Crores or more or transactions exceeding certain value requires the approval of Shareholders in General Meeting for making any of the following transactions with the Related Party of the Company:

1. Sale, purchase or supply of any goods or materials;

2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchase or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the Company; its subsidiary company or associate company; and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Further as per revised Clause-49 of the Listing Agreement (w.e.f 01.10.2014), all material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

The transaction with a related party shall be considered material even if the transaction / transactions to be entered are at arms length when entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of company as per the last audited financial statements of the company.

Purchase / Sale of Materials with related parties: The procurement of bulk materials viz. coking coal, coke and other materials, sale of finished goods and other items and supply / receiving of various services are negotiated together with Electrosteel Castings Ltd. (Associate Company). Based on requirement, these materials are procured in bulk and then purchased / sold between the group companies as per their requirements. These transactions take place in the ordinary course of business on arm's length basis and are essential for efficiently carrying out the operations of the Company.

Approval is required from the Shareholders for the following Contracts/transactions to be entered into with Electrosteel Castings Ltd.

A) Purchases & Services to be received (Limit of Rs.100 Crs. for the period 1st April 2015 till 30th September, 2016)

- a) Purchase of DI Pipes, Coal / Coke of different varieties including coal rejects, midlinks etc.
- b) Iron-ore and other raw materials or ancillary items for the business of the Company.
- c) Rent agreements for hiring of space of any type in connection with the business of the Company (not exceeding in aggregate of Rs. 5 crore within the aggregate limit given in (A) above)
- d) All types of services to be received in connection with the business of the Company.

B) Sales/ Services to be rendered (Limit of Rs. 125 Crores for the period 1st April 2015 till 30th September, 2016)

- a) Sale of DI Pipes & Fittings, Pig Iron, Coal/ Coke, MS Scrap or any other goods.
- b) Conversion of coal into coke
- c) All other types of services to be rendered in connection with the business of the Company.

The nature of the transaction that are likely to be entered pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 are as under:-

- 1) Name of the Related Party: Electrosteel Castings Ltd.
- 2) Name of the Director or Key Managerial Personnel who is related:- Mr. Mayank Kejriwal, Managing Director
- 3) Nature of relationship: - Mr. Mayank Kejriwal along with his relatives holds more than 2% of ECL.

4) Nature, Material Terms, Monetary Value and particulars of the contract or arrangement:

All transactions proposed will be in ordinary course of business. It is proposed to execute all transactions at arms length except in exceptional cases where comparisons are not available in order to justify the arms-length price, the same shall be at the negotiated price to be mutually agreed from time to time.

5) Any other information relevant or important for the members to take a decision on the proposed resolution- None.

The aforesaid proposed contract/transactions were approved by the Audit Committee in its meeting held on 30th April, 2015 and recommend by the Board of Directors of the Company to the shareholders for their approval.

Members are hereby informed pursuant to second proviso of Section 188 (1) of the Act as well as the listing agreement, no member of the Company shall vote on the special resolution at Item No. 8, if such member is a related party in respect of the said business.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No.8 of the Notice above by way of special resolution.

#### **Item No. 9**

Mr. G.S. Rathi, aged 65 years, a Non-executive Director of the Company would retire by rotation in terms of Section 152 of the Companies Act, 2013, and he is eligible for reappointment. The Board of Directors has appointed Mr. G.S.Rathi as a Whole-time Director of the Company for a period of 5 years effective from 1.7.2015 on the terms and conditions as set out below,

subject to the approval of the shareholders of the Company. As Mr. G.S. Rathi would be attaining the age of seventy during his tenure of five years, so a Special Resolution is being passed.

Mr. G.S. Rathi is a Gold Medalist of Bhagalpur University, Bihar, Law graduate and a qualified Company Secretary. He was the Executive Director of Electrosteel Castings Limited (ECL) looking after the working of Elavur Unit of Electrosteel, besides marketing and sales of ECL in Southern and Western Regions of India. He has expertise in general administrative management and Marketing and actively involved in the day to day operations of the Company. He earlier worked as Vice President- cum- Company Secretary of Vidula Chemicals & Manufacturing Industries, a Birla Group Company during 1980 to 1986 and implemented a Greenfield Chemical Project near Kolkata. He holds 15000 shares of the Company in joint name with his spouse.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his performance and other attributes, that his full time association would be of immense benefit to the Company and it is desirable to avail his services as a whole-time director for a term of five consecutive years.

Proposed Remuneration of Mr. G.S. Rathi:  
(From 1st July, 2015 to 30th June, 2020)

- i) Salary: Rs. 3,30,000 per month in the grade of 3,30,000-25,000-4,30,000.
- ii) Special Allowance: Rs. 6,14,500 per month in the grade of 6,14,500-10,000-6,54,500
- iii) Perquisites and Amenities:
  - a) Reimbursement of electricity charges at actual.
  - b) Medical Benefits: Reimbursement of expenses for self and family in accordance with the rules specified by the company.

- c) Leave: As per applicable Staff Rules of the Company
- d) Housing: Furnished residential accommodation (or House Rent Allowance in lieu thereof not exceeding 60% of the salary)
- e) Club Fees: Fees of a maximum of two clubs excluding admission & life membership fees
- f) Car and Telephone: Provision of a car for use on Company's business and telephone at residence. These will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- g) Personal Accident & Term Insurance Premium: Not to exceed Rs. 10,000 per annum.
- h) Mediclaim Policy: Mediclaim Policy to be taken as per applicable Staff Rules of the Company.
- i) Encashment of Leave: In accordance with the Company's Rules and Regulations.
- j) Contribution to Retiral Benefit Funds: Company's contribution to Provident Fund as applicable to other employees. Gratuity in accordance with the Gratuity Fund Rules.
- k) Leave Travel Concession: Return passage for Mr. Rathi and his family in accordance with the Rules specified by the Company.
- l) Minimum Remuneration: In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Rathi will be entitled to receive such minimum remuneration as is permissible under Section II of Part II of Schedule V to the Companies Act, 2013.

For the purpose of calculation of such monetary value, the perquisites shall be valued as per

Income Tax Rules, wherever applicable and in the absence thereof, at cost.

For the purpose of eligibility of perquisites “family” means the spouse, the dependent children and dependant parents of the Whole-time Director.

Mr. G.S. Rathi does not hold directorship in any other Company.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No.9 of the Notice above by way of special resolution.

Except Mr. G.S. Rathi, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution as set out in item No. 9 of the Notice.

By Order of the Board  
For **Srikalahasthi Pipes Limited**

**A.R. Surana**  
Chief Financial Officer &  
Company Secretary

Place : Chennai  
Dated : 25th July, 2015

### 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:

Name of Director(s)	Shri G.S. Rathi	Shri S.Y. Rajagopalan	Ms. S. Hemamalini
Date of Birth	9th January, 1950	21st November, 1934	14th December, 1969
Date of earlier appointment	8th June, 2005	7th May, 2011	17th March, 2015
Qualifications	B.Com., (Hons.), FCS, LLB	FCA	Graduate in Management from Madras University.
Special Expertise	Expertise in Administrative and General Management.	Expertise in Financial Management & Corporate and related laws.	Expertise in Business Management & International Trade and Customs.
Directorship in other Public Limited Companies.	–	Electrosteel Castings Limited.	–
Membership in other Board Committees:			
1) Audit Committee	–	–	–
2) Remuneration Committee	–	Electrosteel Castings Limited.	–
3) Stakeholders’ Relationship Committee	–	–	–