

## **LANCO INDUSTRIES LIMITED**

Registered Office: Rachagunneri – 517 641, Srikalahasthi Mandal  
Chittoor District, Andhra Pradesh. CIN No. L74999AP1991PLC013391  
Website : [www.lancoindustries.com](http://www.lancoindustries.com)

### **NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013**

Dear Shareholders,

Notice is hereby given, pursuant to section 110 and other provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) (the "Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, to transact the following special business by the members of Lanco Industries Limited by passing the resolutions through postal ballot/e-voting.

#### **Item No.1. Approval for borrowing powers of the Company under section 180(1)(c) of the Companies Act, 2013**

To consider and if thought fit to give assent/dissent to the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolutions passed by the Company, consent be and the same is hereby accorded pursuant to Section 180 (1) (c) and any other provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for time being in force), for borrowing from time to time for the purpose of the Company's business, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the moneys borrowed and to be so borrowed and outstanding at any time shall not exceed Rs.1000 crores (Rupees One Thousand Crore only)."

#### **Item No.2. Approval of limits for mortgage/creation of charge on the assets of the Company under Section 180 (1) (a) of the Companies Act, 2013:**

To consider and if thought fit to give assent/dissent to the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolutions passed by the Company at the Annual General Meeting of the Company limiting the power of the Board of Directors of the Company to mortgage / charge its undertaking(s) upto Rs.1000 crores, consent of the Company be and is hereby accorded, pursuant to Section 180 (1) (a) of the Companies Act, 2013 (Including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company, including any committee thereof (here in after referred to as "The Board"), for mortgaging and / or charge (1<sup>st</sup> and/or subsequent charges), from time to time, in such form and manner and with such ranking as to priority and for such time and on

such terms and conditions as the Board may determine, all or any of the movable and / or immovable, tangible and/or intangible properties of the Company, both present and future including assignment of rights under all the Project Agreements, rights under insurance policies and project guarantees and/or the whole or any part of the undertaking(s) of the Company in favour of the lender(s) agent(s), trustee(s), for securing the borrowings of the Company availed/to be availed by way of loan(s) (In foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued or to be issued by the Company together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and any other monies payable by the Company, subject to the limits as approved under Section 180 (1) (c) of the Companies Act, 2013 from time to time, with power to such financial institution(s), bank(s), or any other lender(s) as the case may be, to take over the management of the business and concern of the Company in certain events or to lease out the assets of the Company for any other purpose within the said limit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and are hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

By Order of the Board

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

Dated: 3<sup>rd</sup> May 2014

**NOTES :**

1. The corresponding explanatory statement pursuant to section 102 of the Companies Act, 2013 setting out all material facts is annexed hereto. A Postal Ballot Form is also enclosed.
2. Please read the instructions / notes printed in the Postal Ballot Form before exercising the vote.
3. In case you have any queries or issues regarding postal ballot/ e-voting, please contact the Company or Registrar & Share Transfer Agent or send mail to [investors@lancoindustries.com](mailto:investors@lancoindustries.com)

## **ANNEXURE TO THE NOTICE**

### **(EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 (1) AND 110 OF THE COMPANIES ACT, 2013.)**

#### **Item No.1 :**

At the Nineteenth Annual General Meeting of the Company held on 25<sup>th</sup> August, 2011, the members of the Company had authorized the Board of Directors to borrow monies in excess of the limits specified under Section 293 (1) (d) of the Companies Act, 1956 up to an amount not exceeding Rs.1,000 Crores (Apart from temporary loans obtained from the Company's bankers in the ordinary course of business), by way of an ordinary resolution.

However, consequent to implementation of Section 180 (1) (c) of the Companies Act, 2013 (Section 293 (1) (d) of the erstwhile Companies Act, 1956), the proposal to authorize the Board of Directors to borrow funds in excess of the paid up capital and free reserves of the Company would require approval of the members of the Company by way of a special resolution. Therefore, approval of the members of the Company is being sought by way of a Special resolution, pursuant to Section 180 (1) (c) of the Companies Act, 2013. For avoidance of doubt, it is clarified that this resolution does not increase the amount that may be borrowed by the Board that had been already approved by the members of the Company.

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

None of the Directors, Key Managerial personnel or relatives of Directors or Key Managerial personnel of the Company (save and except to the extent of their shareholding in the Company, if any), is in any way concerned or interested in the said Resolution.

#### **Item No.2 :**

The Company had earlier obtained the approval of the members by means of Postal Ballot for mortgage / creation of charge of Companies undertaking in favour of lender(s) by way of an ordinary resolution under Section 293 (1) (a) of the Companies Act, 1956.

However, consequent to implementation of Section 180 (1) (a) of the Companies Act, 2013, (Section 293 (1) (a) of the erstwhile Companies Act, 1956) the Directors of a public company shall not, except with the consent of the Company by a special resolution, sell, lease, mortgage or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgage and / or charge of the undertaking of the Company to be created and / or leasing of assets as aforesaid might be considered to be disposal of the Company's undertaking, it is considered advisable, by way of an abundant caution that the proposed creation of the mortgage and / or charge be approved by a special resolution by the members of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013. For avoidance of doubt, it is clarified that this resolution does not increase the amount of charge that may be created by the Board that had been already approved by the members of the Company.

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

None of the Directors, Key Managerial personnel or relatives of Directors or Key Managerial personnel of the Company (save and except to the extent of their shareholding in the Company, if any), is in any way concerned or interested in the said Resolution.

By Order of the Board

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

Dated: 3<sup>rd</sup> May 2014

**LANCO INDUSTRIES LIMITED**

Registered Office: Rachagunneri – 517 641, Srikalahasthi Mandal  
Chittoor District, Andhra Pradesh CIN No. L74999AP1991PLC013391  
Website : www.lancoindustries.com

**POSTAL BALLOT FORM**

Serial No.

1. Name of Shareholder(s) including joint :  
shareholders, if any
2. Registered address of the First Named :  
Shareholder
3. Registered Folio No. DPID No. / Client :  
ID No. (User ID for e-voting)
4. No. of shares held :
5. I / We hereby exercise my / our vote in respect of the resolution to be passed through postal ballot/e-voting for the special business stated in the notice of the Company by sending my / our assent or dissent to the said resolutions by placing tick mark at the appropriate box below:

Sl.No.	Description	No. of Shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Special Resolution under Section 180 (1) (c) of the Companies Act, 2013 authorizing the Board of Directors to borrow upto Rs.1000 Crs.			
2	Special Resolution under Section 180(1) (a) of the Companies Act, 2013 authorizing the Board of Directors for mortgaging / charging of the Company's undertaking(s) in favour of lender(s).			

Place:

Date:

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(Signature of the Shareholder)

(Please see instructions carefully before exercising the vote)

**ELECTRONIC VOTING PARTICULARS**

EVEN (Electronic Voting Event Number)	User ID	Password

## INSTRUCTIONS:

1. Pursuant to the provisions of section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement assent or dissent of the shareholders in respect of the resolutions contained in the Notice dated 3<sup>rd</sup> May, 2014 is being taken through postal ballot/e-voting.
2. Under the Green Initiative of Ministry of Corporate Affairs, Notice of Postal Ballot/e-voting is being sent to the Shareholders, who have registered their e-mail ids with the Company/RTA, through e-mail and to all other shareholders by post along with Postal Ballot form.
3. The Company has appointed Mr.Chidambaram, Company Secretary in Practice as the Scrutinizer for conducting the postal ballot/e-voting process in a fair and transparent manner.
4. The Company has appointed Mr.G.S.Rathi, Director and Mr.A.R.Surana, Company Secretary as the persons responsible for the entire postal ballot-e-voting process.
5. The notice of postal ballot is being sent to the members, whose names appear in the register of members as on 18<sup>th</sup> July, 2014 and voting rights shall be reckoned on the paid up value of shares registered in the name(s) of the member(s)/ Beneficial Owner(s) as on the same date.
6. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for postal ballot /e-voting i.e. **September 04, 2014** but not later than closing of business hours on **6<sup>th</sup> September, 2014**.
7. The result of postal ballot/e-voting shall be announced by Mr.G.S.Rathi, Director and in his absence by Mr.A.R.Surana, Company Secretary at the Registered Office of the Company at Rachagunneri – 517 641, Srikalahasthi Mandal, Chittoor Dist, AP on Monday **8<sup>th</sup> September, 2014** at 12.30 P.M. The date of declaration of the results of postal ballot/e-voting will be taken to be the date of passing of the resolutions.
8. The result of the postal ballot/e-voting will be placed on the Company's Website [www.lancoindustries.com](http://www.lancoindustries.com) within 48 hours of the declaration of the results.
9. The Shareholders can opt for only one mode for voting i.e. through Physical Ballot or e-voting. If the shareholder decides to vote physically through postal ballot they are advised not to vote through e-voting and vice-versa. In case of voting by both the modes, voting through a valid physical Postal Ballot Form will be considered and counted and e-voting of such shareholder will be treated as invalid.
10. There will be one Postal Ballot/e-voting Form for every folio / client id irrespective of the number of joint holders. In case of joint holding, the Postal Ballot Form should be completed and signed by the first named shareholder and in his absence by the next named shareholder.
11. Voting rights in the postal ballot/e-voting cannot be exercised by a proxy.
12. The Scrutinizer's decision on the validity of a postal ballot/e-voting will be final.

### Voting in physical form :

13. Shareholders are requested to carefully read the instructions printed on the Postal Ballot Form before casting their vote and return the Ballot Form, duly completed in all respects and signed, in the attached self-addressed Business Reply Envelope, so as to reach the Scrutinizer Mr.S.Chidambaram C/o.KARVY COMPUTERSHARE PVT. LTD. Unit : LANCO INDUSTRIES LIMITED PLOT NO.17-24, BESIDE IMAGE HOSPITAL VITTALRAO NAGAR, MADHAPUR HYDERABAD – 500 081 not later than close of working hours on **September 04, 2014**. The Postal Ballot Forms received after this date will be treated as if the reply from the shareholder has not been received. However, envelopes containing Postal Ballot Form, if sent by courier or by registered post or by speed post at the expense of the registered member will also be accepted. The Postal Ballot Form(s) may also be deposited personally.

14. The votes should be casted either in favour or against the resolution by putting the tick mark in the column provided for assent or dissent. Postal Ballot Form bearing tick mark in both the column will render the Form invalid.
15. Please convey your assent / dissent in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
16. The Postal Ballot Form should be completed and signed by the sole / first named shareholder. In the absence of the first named shareholder in a joint holding the Form may be completed and signed by the next named shareholder. *(However, where the Form is sent separately by the first named shareholder and the joint holder(s), the vote of the first named shareholder would be valid).*
17. In case of shares held by Companies, Trusts, Societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the board resolution / authority letter, with signature's of authorised signatory(ies), duly attested.
18. Incomplete, unsigned or incorrectly filled Postal Ballot Forms will be subject to rejection by the Scrutinizer.
19. Shareholders are requested to fill the Postal Ballot Form in indelible ink and not in any erasable writing mode.
20. Shareholders are requested not to send any other matter along with the Postal Ballot Form in the enclosed postage pre-paid self-addressed business reply envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.
21. A shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified in Point No. 13 above.

### **Voting through electronic mode**

22. The instructions for shareholders for e-voting are as under:

- 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 Postal Ballot Form/E-mail. Your folio/DP Client ID will be your User-ID.

User – ID	<p>For Members holding shares in De-mat Form:-</p> <p>a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID</p> <p>b) For CDSL :- 16 digits beneficiary ID</p> <p>For Members holding shares in Physical Form:-</p> <ul style="list-style-type: none"> <li>• <u>Event No.</u> followed by Folio Number registered with the company</li> </ul>
Password	Your Unique password is printed on the Postal Ballot Form / 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 4<sup>th</sup> August, 2014 to 5.00 pm 4<sup>th</sup> 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.".