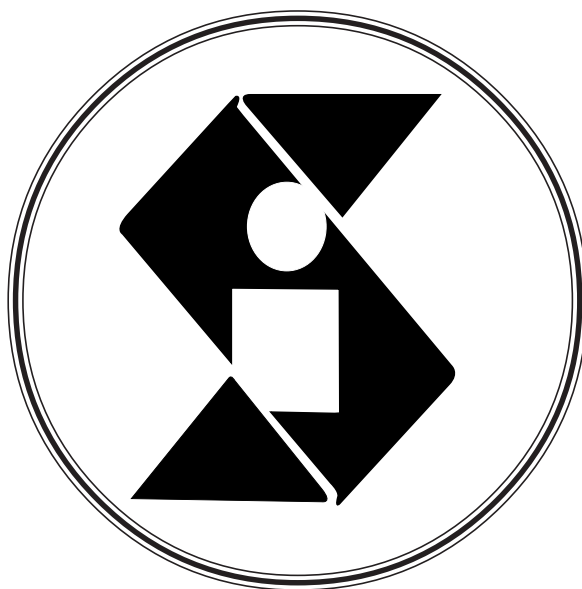

SATHAVAHANA ISPAT LIMITED



25th
Annual Report
2013-14



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AGM	:	25 th Annual General Meeting.
Day and Date	:	Tuesday 30 th September, 2014.
Time	:	03.00 p.m.
Venue	:	Sri Sagi Ramakrishna Raju Community Hall, Madhura Nagar, Hyderabad - 500 038
Date of Book Closure :		
i) Physical Mode	:	16.09.2014 to 30.09.2014. (both days inclusive).
ii) Electronic Mode	:	15.09.2014
ISIN No.	:	INE 176C01016
Listing	:	BSE Limited (BSE) (Stock Code : 526093)
		National Stock Exchange of India Limited (NSE) (Stock Code : sathaispat)

General Corporate Information

BOARD OF DIRECTORS:	Shri K.Thanu Pillai	Chairman
	Shri A.S.Rao	Executive Vice Chairman
	Shri Syed Anis Hussain	Director
	Shri S.N.Rao	Director
	Shri A. Naresh Kumar	Managing Director
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Shri. K.V. Krishna Rao	
AUDITORS	M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants	
BANKERS:	State Bank of Hyderabad Canara Bank Andhra Bank	
REGISTERED OFFICE	314, Sri Ramakrishna Towers, Nagarjuna Nagar, Ameerpet, Hyderabad - 500 073, Telangana	
CORPORATE OFFICE & SECRETARIAL DEPARTMENT	505, 5 th Floor, Block - 1, Divyashakti Complex, Ameerpet, Hyderabad - 500 016, Telangana	
SHARE TRANSFER AGENTS	M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034 Telangana	
WORKS:	<ol style="list-style-type: none"> Haresamudram Village, Bommanahal Mandal, Anantapuram District, Andhra Pradesh. Kudithini Village, Korugodu Road, Bellary District, Karnataka. 	



NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of the Shareholders of **SATHAVAHANA ISPAT LIMITED** will be held at Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad – 500 038 on Tuesday, the 30th September, 2014 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2014 along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K. Thanu Pillai (DIN : 00115814) who retires by rotation and being eligible, offers himself for reappointment as Independent Director.
3. To appoint a Director in place of Shri Syed Anis Hussain (DIN : 00115949) who retires by rotation and being eligible, offers himself for reappointment as Independent Director.
4. To appoint a Director in place of Shri S.N.Rao (DIN : 00116021) who retires by rotation and being eligible, offers himself for reappointment as Independent Director.
5. To appoint Auditors under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and fix their remuneration. The retiring Auditors M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad, are eligible for reappointment.

To consider and, if thought fit, to pass the following resolution, with or without any modifications as an **ORDINARY RESOLUTION:**

“RESOLVED that, pursuant to Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder as amended from time to time and for the time being in force, M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, (Firm's Registration Number: 0022835) Hyderabad, retiring Auditors of the Company, being eligible for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of twenty eighth Annual General Meeting subject to ratification by the members in each and every Annual General Meeting held interregnum, on a remuneration plus Service Tax and travelling/out of pocket expenses to be mutually agreed upon by the Board of Directors of the Company and the Auditors.”

AS SPECIAL BUSINESS:

6. To appoint Smt. Y. Prameela Rani as an Independent Director and in this regard to consider and if thought fit,

to pass, with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Smt Y. Prameela Rani (DIN:03270909) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) read with Schedule IV of the Companies Act 2013 and who is eligible for appointment pursuant to the provisions of Sections 160, 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the said Act, as amended from time to time, further read with Articles of Association of the Company and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 1st October, 2014 to 30th September 2019.”

7. To appoint Shri. T. Sreerama Murthy as Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Shri T. Sreerama Murthy (DIN: 06946918) who has submitted a declaration that he meets the criteria for appointment as a Director as provided in Section 152 of the Companies Act 2013 and who is eligible for appointment pursuant to the provisions of Sections 160, 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, further read with Articles of Association of the Company and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company for a period of three years with effect from 1st October, 2014 to 30th September 2017.”

8. To re-appoint Shri A.Naresh Kumar as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED that pursuant to the provisions of Sections 2 (78), 2 (94), 196, 197 and 203, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial personnel) Rules 2014, approval be and is hereby accorded to the appointment of Shri A. Naresh Kumar (DIN:00112566), Managing Director for a period of five years effect from 01.06.2014 to 31.05.2019 on the following remuneration:



1. SALARY:

Salary of Rs.3,10,000/- per month in the scale of Rs.3,10,000 - 50,000 – 4,60,000 per month.

2. PERQUISITES:

The following perquisites may be allowed in addition to salary.

CATEGORY A:

- i. **Housing I.:** The expenditure incurred by the Company on hiring furnished accommodation which will be subject to the following ceiling:

Sixty percent of the salary over and above ten percent payable by Shri A. Naresh Kumar, Managing Director;

Or

Housing II.: In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company; or

In case no accommodation is provided by the Company a House Rent Allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962 and shall be subject to a ceiling of ten percent of salary of the appointee.

- ii. **Medical Reimbursement :** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iii. **Leave Travel Concession** for self and family, once in a year incurred in accordance with any rules specified by the Company.
- iv. **Club fee** subject to a maximum of two clubs. This will not include admission and life membership fee.
- v. **Personal accident insurance** the premium of which shall not exceed Rs.1,00,000/- per annum.

- vi. **Medical Insurance premium** the premium of which shall not exceed Rs. 50,000/- per annum.

CATEGORY B:

- i. **Contribution to Provident Fund, Superannuation Fund and Annuity Fund** to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- ii. **Gratuity payable** at a rate not exceeding half a month's salary for each completed year of service, and
- iii. **Encashment of leave** at the end of the tenure.

CATEGORY C:

Provision of car for use on Company's business and telephone at residence / mobiles. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company to Shri A. Naresh Kumar, Managing Director.

3. COMMISSION:

1% commission on the net profits of the Company computed in the manner laid down in Section 197 read with Schedule V of the Companies Act, 2013.

4. MINIMUM REMUNERATION:

In the event of losses or inadequacy of profits during the above period, the Managing Director is entitled to a minimum salary and perquisites as provided in Schedule V and other applicable provisions to the Companies Act 2013".

5. REMUNERATION TENOR AND CEILING:

The remuneration fixed herein is for a period of three years from 1st June 2014 to 31st May 2017 and the Board of Directors of the Company be and is hereby authorised to vary or modify the terms of remuneration in the said period without any further reference to the Company in General Meeting subject to however that the overall remuneration payable to the Managing Director is within the ceiling limits laid down in Section 197 read with Schedule V to the Companies Act 2013.



“RESOLVED further that the office of Managing Director held by Shri A.Naresh Kumar pursuant to this resolution shall not be liable to determination by retirement of Directors by rotation.”

9. To appoint Shri T. Sreerama Murthy as Executive Director (Operations) and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a SPECIAL RESOLUTION.

“RESOLVED that pursuant to the provisions of Sections 2 (78), 2 (94), 197 and 203, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, approval be and is hereby accorded to the appointment of Shri T. Sreerama Murthy (DIN: 06946918), as Executive Director (Operations) for a period of three years effect from 01.10.2014 to 30.09.2017 on the following remuneration.

1. SALARY:

Salary of Rs.2,00,000/- per month in the scale of Rs.2,00,000 - 50,000 – 3,00,000 per month.

2. PERQUISITES:

The following perquisites may be allowed in addition to salary.

CATEGORY A:

- i. **Housing:** The expenditure incurred by the Company on hiring furnished accommodation which will be subject to the following ceiling:

Sixty percent of the salary over and above ten percent payable by Shri T. Sreerama Murthy, Executive Director (Operations);

Or

In case no accommodation is provided by the Company a House Rent Allowance subject to the ceiling laid down in the above.

Explanation: Where accommodation is owned by the Company, the appointee is not entitled to the above housing perquisite. In all the above cases, the expenditure incurred by the Company on free housing, gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 and shall be subject to a ceiling of twelve percent of salary of the appointee.

- ii. **Medical Reimbursement:** Expenses incurred for self and family subject to a ceiling of one month's salary in a year

or three month's salary over a period of three years.

- iii. **Leave Travel Concession** for self and family, once in a year incurred in accordance with any rules specified by the Company.
- iv. **Personal accident insurance** the premium of which shall not exceed Rs.50,000/- per annum.
- v. **Medical Insurance premium** the premium of which shall not exceed Rs. 25,000/- per annum.

CATEGORY B:

- i. **Contribution to Provident Fund, Superannuation Fund and Annuity Fund** to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- ii. **Gratuity payable** at a rate not exceeding half a month's salary for each completed year of service, and
- iii. **Encashment of leave** at the end of the tenure.

CATEGORY C:

Provision of car for use on Company's business and telephone at residence / mobiles. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company to Shri T. Sreerama Murthy, Executive Director (Operations).

3. MINIMUM REMUNERATION:

In the event of losses or inadequacy of profits during the above period, the Executive Director (Operations) is entitled to a minimum salary and perquisites as provided in Schedule V and other applicable provisions to the Companies Act 2013".

4. REMUNERATION TENOR AND CELILING:

The remuneration fixed herein is for a period of three years from 1st October 2014 to 30th September 2017 and the Board of Directors of the Company be and is hereby authorised to vary or modify the terms of remuneration in the said period without further reference to the Company in General Meeting subject to however that the overall remuneration payable to the Executive Director (Operations) is within the ceiling limits laid down in Section 197 read with Schedule V to the Companies Act 2013.



“RESOLVED further that the office of Executive Director (Operations) held by Shri T. Sreerama Murthy pursuant to this resolution is liable to determination by retirement of Directors by rotation.”

10. To vary the terms of appointment of Shri A.S.Rao, Executive Vice Chairman and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

“RESOLVED that pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Shri A.S.Rao (DIN:00899415) Executive Vice Chairman, by making his office liable to retire by rotation.”

11. To approve the remuneration payable to Cost Auditors, M/s. S. Mahadevan & Co., for the year ending 31st March 2015 and ratify the remuneration paid / payable for Cost Audit conducted for the year ended 31st March 2014 and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Cost Auditors, M/s. S. Mahadevan & Co., Practicing Cost Accountants (Firm's Registration Number:00007) appointed on the recommendation of the Audit Committee by the Board of Directors of the Company, to conduct Cost Audit of the cost records of the Company for the financial year ending 31st March 2015, be paid a remuneration of Rs.4.00 lakhs (Rupees four lakhs only) plus Service Tax and travelling / out of pocket expenses at actuals.

RESOLVED further that the fee of Rs.4.00 lakhs (Rupees four lakhs only) plus service tax and travelling / out of pocket expenses at actuals paid or payable to the Cost Auditors, M/s. S. Mahadevan & Co., Practicing Cost Accountants (Firm's Registration Number: 00007) for Cost Audit of the cost records of the Company conducted for the financial year ended 31st March 2014 be and is hereby ratified.

RESOLVED further that the Board of Directors of

the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

By order of the Board

Hyderabad

Date: 14.08.2014

(A. NARESH KUMAR)

MANAGING DIRECTOR

(DIN:00112566)

CIN:L27109TG1989PLC010654

Regd. Office: 314, Sri Ramakrishna Towers,

Nagarjuna Nagar, Hyderabad – 500 073, Telangana

NOTES:

- 1) EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 IS ANNEXED.
- 2) THE RELEVANT DETAILS OF DIRECTORS, AS REQUIRED BY CLAUSE 49 OF THE LISTING AGREEMENTS ENTERED INTO WITH THE STOCK EXCHANGES, SEEKING RE-APPOINTMENT UNDER ITEM NOS. 2 to 4 ABOVE AND ALSO OF THOSE GETTING APPOINTED UNDER ITEM NOS.6 TO 9 ARE ANNEXED.
- 3) IN COMPLIANCE WITH PROVISIONS OF SECTION 108 OF THE COMPANIES ACT 2013 READ WITH THE RULES MADE THERE UNDER AND CLAUSE 35B OF THE EQUITY LISTING AGREEMENTS ENTERED INTO, THE COMPANY IS FACILITATING E-VOTING OPTION FOR ITS MEMBERS TO ENABLE THEM TO CAST THEIR VOTES ELECTRONICALLY. MEMBERS HAVE OPTION TO VOTE EITHER THROUGH E-VOTING OR THROUGH THE PHYSICAL POSTAL BALLOT PAPER. IF A MEMBER HAS OPTED FOR E-VOTING, THEN HE/SHE SHOULD NOT VOTE BY PHYSICAL POSTAL BALLOT AND ALSO VICE-VERSA. HOWEVER, IN CASE MEMBERS CAST THEIR VOTE BOTH VIA PHYSICAL POSTAL BALLOT AND E-VOTING, THEN VOTING THROUGH E-VOTING SHALL PREVAIL AND VOTING DONE BY POSTAL BALLOT SHALL BE TREATED AS INVALID. FOR THIS PURPOSE, THE COMPANY HAS SIGNED AN AGREEMENT WITH THE CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (“CDSL”) FOR FACILITATING E-VOTING.
- 4) VOTING CAN BE DONE ONLY IN ONE MODE I.E. EITHER BY ELECTRONIC VOTING OR BY BALLOT



PAPER. IN THE EVENT IF THE MEMBER EXERCISES VOTING IN BOTH MODES, ELECTRONIC VOTING ONLY SHALL PREVAIL.

- 5) A MEMBER DESIRING TO EXERCISE VOTE BY POSTAL BALLOT SHALL FILL IN AND COMPLETE IN ALL RESPECTS THE POSTAL BALLOT PAPER DULY CHECK (3) MARKED WITH ASSENT (FOR) OR DISSENT (AGAINST) AND SIGN (AS PER SPECIMEN SIGNATURE REGISTERED WITH THE COMPANY) AND SEND THE SAME TO THE SCRUTINIZER IN THE SELF-ADDRESSED BUSINESS REPLY ENVELOPE.
- 6) THE POSTAL BALLOT NOTICE IS BEING SENT TO ALL THE MEMBERS, WHOSE NAMES APPEAR IN THE REGISTER OF MEMBERS / LIST OF BENEFICIAL OWNERS RECEIVED FROM NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL)/ CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED AS ON 22nd AUGUST, 2014.
- 7) VOTING RIGHTS SHALL BE RECKONED IN PROPORTION TO THE PAID-UP EQUITY SHARES REGISTERED IN THE NAME OF THE MEMBER AS ON 22nd AUGUST, 2014.
- 8) RESOLUTIONS PASSED BY THE MEMBERS THROUGH POSTAL BALLOT ARE DEEMED TO HAVE BEEN PASSED EFFECTIVELY AT THE ANNUAL GENERAL MEETING OF THE MEMBERS. THE SPECIAL RESOLUTION SHALL BE DECLARED AS PASSED IF THE NUMBER OF VOTES CAST IN FAVOUR OF THE SPECIAL RESOLUTION IS NOT LESS THAN THREE TIMES THE NUMBER OF VOTES CAST AGAINST THE SPECIAL RESOLUTION. THE ORDINARY RESOLUTION SHALL BE DECLARED AS PASSED IF THE NUMBER OF VOTES CAST IN FAVOUR OF THE ORDINARY RESOLUTION IS MORE THAN THE VOTES CAST AGAINST THE ORDINARY RESOLUTION.
- 9) A MEMBER ENTITLED TO ATTEND AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. MEMBER INTENDING TO APPOINT A PROXY SHOULD COMPLETE THE PROXY FORM FURNISHED ELSEWHERE AND DEPOSIT IT AT THE COMPANY'S CORPORATE OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. CORPORATE MEMBERS WISHING TO DEPUTE THEIR AUTHORISED REPRESENTATIVES ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVES TO ATTEND AT THE GENERAL MEETING.
- 10) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN

CLOSED FROM **16.09.2014 TO 30.09.2014** (BOTH DAYS INCLUSIVE) FOR TRANSFERS IN PHYSICAL MODE AND ON CLOSING OF **15.09.2014** FOR ELECTRONIC MODE FOR DETERMINING THE NAMES OF MEMBERS ELIGIBLE FOR THE PURPOSE OF ANNUAL GENERAL MEETING.

- 11) THE MEMBERS WHO HAVE SO FAR NOT ENCASHED THEIR DIVIDEND WARRANTS RELATING TO THE DIVIDEND DECLARED FOR THE FINANCIAL YEARS ENDING 31ST MARCH, 2007, 31ST MARCH, 2008, 31ST MARCH, 2009, 31ST MARCH, 2010, AND 31ST MARCH, 2011 MAY APPROACH THE COMPANY WITHOUT ANY FURTHER DELAY FOR THE PAYMENT OF THE SAID WARRANTS. PURSUANT TO PROVISIONS OF SECTION 205C OF THE COMPANIES ACT, 1956 AND / OR SECTION 125 OF THE COMPANIES ACT 2013 AS AND WHEN NOTIFIED AND AS AMENDED FROM TIME TO TIME THE UNCLAIMED DIVIDEND AT THE END OF SEVEN YEARS WILL HAVE TO BE TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND MAINTAINED BY THE CENTRAL GOVERNMENT, WHEREBY THE MEMBERS WILL NOT BE ABLE TO CLAIM THE SAID DIVIDEND THEREAFTER. **ACCORDINGLY THE UNCLAIMED DIVIDEND FOR THE YEAR ENDED 31ST MARCH, 2007, 31ST MARCH, 2008, 31ST MARCH, 2009, 31ST MARCH, 2010, AND 31ST MARCH, 2011 WILL HAVE TO BE CLAIMED BY THE SHAREHOLDERS ON OR BEFORE 29TH SEPTEMBER, 2014, 29TH SEPTEMBER, 2015, 29TH SEPTEMBER, 2016, 29TH SEPTEMBER, 2017, AND 29TH SEPTEMBER, 2018 RESPECTIVELY AND THEREAFTER IT WILL BE TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND ON OR BEFORE 28TH OCTOBER, 2014, 28TH OCTOBER, 2015, 28TH OCTOBER, 2016, 28TH OCTOBER, 2017, AND 28TH OCTOBER, 2018 AS THE CASE MAY BE.** THE COMPANY HAS NOT DECLARED ANY DIVIDEND FOR THE YEAR ENDING 31ST MARCH, 2012, 31ST MARCH, 2013 AND 31ST MARCH, 2014.
- 12) MEMBERS DESIROUS OF SEEKING CLARIFICATIONS ON ACCOUNTS ARE REQUESTED TO SEND THEIR QUERIES TO THE CORPORATE OFFICE ADDRESS OF THE COMPANY AT LEAST SEVEN DAYS BEFORE THE DATE OF THE ANNUAL GENERAL MEETING TO ENABLE THE COMPANY TO COMPILE AND FURNISH REQUIRED INFORMATION.
- 13) THE SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE ARE REQUESTED TO INTIMATE IMMEDIATELY ANY CHANGE IN THEIR ADDRESS REGISTERED WITH THE COMPANY TO THE SHARE TRANSFER AGENTS M/S XL SOFTECH SYSTEMS



LIMITED, #3, SAGAR SOCIETY, ROAD NO.2, BANAJARA HILLS, HYDERABAD – 500 034. MEMBERS ARE ALSO REQUESTED TO UPDATE THEIR EMAIL IDS IN ORDER TO COMMUNICATE SPEEDILY AND AS A PART OF GREEN INITIATIVE.

- 14) THE SHAREHOLDERS ARE HEREBY REQUESTED THAT ALL THE CORRESPONDENCE IN CONNECTION WITH THE SHARES BE ADDRESSED TO THE SHARE TRANSFER AGENTS OF THE COMPANY M/S XL SOFTECH SYSTEMS LIMITED, #3, SAGAR SOCIETY, ROAD NO.2, BANAJARA HILLS, HYDERABAD – 500 034 OR TO THE SECRETARIAL DEPARTMENT OF THE COMPANY AT 505, 5TH FLOOR, BLOCK-1, DIVYASHAKTI COMPLEX, AMEERPET, HYDERABAD – 500016.
- 15) PURSUANT TO THE DIRECTIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) THE SHARES OF THE COMPANY ARE TO BE COMPULSORILY TRADED IN DEMAT MODE W.E.F 26TH FEBRUARY, 2001. MEMBERS HOLDING SHARES IN PHYSICAL MODE MAY THEREFORE, CONVERT THEIR EQUITY HOLDINGS OF THE COMPANY INTO DEMAT MODE BY OPENING THE DEMAT ACCOUNTS WITH DEPOSITORY PARTICIPANTS WHO ARE ACTING AS AGENTS TO THE DEPOSITORIES VIZ., NSDL AND CDSL. THE COMPANY HAS BEEN ALLOTTED THE ISIN NO. **INE176C01016**. HOWEVER, MEMBERS MAY CONTINUE TO HOLD THE SHARES OF THE COMPANY IN PHYSICAL FORM AT THEIR OPTION BUT FOR TRADING THE SAME ON THE STOCK EXCHANGES, CONVERSION INTO DEMAT MODE IS COMPULSORY.
- 16) MEMBERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT TO THE MEETING. MEMBERS / PROXIES SHOULD FILL THE ATTENDANCE SLIP FOR ATTENDING THE MEETING. MEMBERS / PROXIES ARE REQUESTED TO FILL IN THE CLIENT ID AND DP ID NUMBERS IN CASE OF ELECTRONIC HOLDING AND FOLIO NUMBER IN CASE OF PHYSICAL HOLDING IN THE ATTENDANCE SLIPS.
- 17) MEMBERS HOLDING SHARES IN PHYSICAL FORM AND DESIROUS OF AVAILING THE BENEFIT OF NOMINATION FACILITY IN TERMS OF SECTION 109A OF THE COMPANIES ACT, 1956 READ WITH ARTICLE 64A OF ARTICLES OF ASSOCIATION OF THE COMPANY, MAY DO SO BY SENDING THEIR REQUESTS IN FORM 2B COPY OF WHICH WILL BE MADE AVAILABLE ON A REQUEST TO THE SHARE TRANSFER AGENTS M/S. XL SOFTECH SYSTEMS LIMITED OR COMPANY'S SECRETARIAL DEPARTMENT.
- 18) THE EQUITY SHARES OF THE COMPANY ARE LISTED ON BSE LTD (FORMERLY THE BOMBAY STOCK

EXCHANGE LIMITED, MUMBAI (STOCK CODE: 526093) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED, MUMBAI (STOCK CODE: SATHAISPAT). THE ANNUAL LISTING FEES TO THE STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED HAS BEEN PAID UPTO DATE. THE LISTING ON THE HYDERABAD STOCK EXCHANGE LIMITED, HYDERABAD, (STOCK CODE: SVI) IS NOT IN FORCE AS THE SAID EXCHANGE HAS BEEN DERECOGNISED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA.

GUIDANCE AND INSTRUCTIONS TO THE MEMBERS FOR VOTING:

I. VOTING THROUGH PHYSICAL BALLOT PAPER:

1. A member desiring to exercise vote by Postal Ballot shall fill in and complete in all respects the enclosed Postal Ballot Paper duly check (3) marked with assent (for) or dissent (against) and sign and send the same to the Scrutinizer in the self-addressed Business Reply Envelope.
2. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by Courier or by Registered Post at the expense of the Member will also be accepted. The envelopes may also be deposited personally at the address given thereon.
3. The Postal Ballot Paper, duly completed and signed should be returned in the self-addressed postage prepaid envelope so as to reach the Scrutinizer before the close of working hours on or before 27th September, 2014. Any Postal Ballot Paper received after last date (after 6.00 P.M. on 27th September 2014) shall be treated as if the reply from the shareholders had not been received.
4. The members are requested to exercise their voting rights by using the attached Postal Ballot Paper only. No other Form or photocopy of the Form is permitted.

II. VOTING ELECTRONICALLY:

Voting electronically is facilitated through e voting module of Central Depository Systems (India) Limited that can be accessed on <https://www.evotingindia.com>

The voting period begins on 26th September 2014 (10.00 hrs.) and ends on 27th September 2014 (18.00 hrs.). During this period shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date



i.e. 22nd August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e. 18.00 hrs., 27th September 2014).

1. Login to e-Voting and voting electronically:

- 1.1. Double click on the Internet Explorer Icon located on the desktop and launch the web browser. Type the following address in the address bar **https://www.evotingindia.com** and click on "Enter" key.
- 1.2. Click on SHAREHOLDERS and enter your User id (For NSDL :- 8 Character DP ID followed by 8 Digits Client ID / For CDSL :- 16 digits beneficiary ID / For Members holding Shares in Physical Form - Folio Number registered with the Company) & then enter the Captcha Code as displayed and click on Login.
- 1.3. Enter your PAN & at least one detail amongst Bank Account Number and DOB or Date of Incorporation has to be mentioned. If you are a first time user follow the steps given below:

For Members holding Shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your Demat account or in the Company records for the said Demat account or Folio No. in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat account or in the Company records for the said folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction 1.2

Kindly provide your details as available on the demat account / folio number provided, then click on submit.

- 1.4. The system will mandate for Demat account holder to change their initial password. Password should be minimum 8 characters long. Enter the password of your choice which you wish to keep for e-Voting purpose. Confirm the Password and then click on Submit.
- 1.5. If you are holding Shares in Demat form and had logged on to <https://www.evotingindia.com> and casted your vote earlier for EVSN of any Company, then your existing password is to be used. So after you enter the User ID and Captcha Code and click on Login you will directed directly to the screen to enter your password.
- 1.6. The System will check the EVSN for which you are eligible to vote on the day you have logged in. Click on the EVSN for which you wish to vote for.
- 1.7. Members holding Shares in physical form will then directly reach the Company selection screen. However, Members holding Shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 1.8. For Members holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 1.9. Click on the EVSN for the Company name Sathavahana Ispat Limited, which you choose to vote.

2. To cast your vote:

- 2.1. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 2.2. Read the Resolution Description carefully. In case you want to refer to the entire resolution file, click on "Resolution file" link.
- 2.3. The total number of securities you hold is already mentioned in the system. Select whether you assent or dissent for a resolution.