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# 22<sup>nd</sup> ANNUAL REPORT

2011-2012

**SUJANA METAL PRODUCTS LIMITED**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>CHAIRMAN</b>	:	Shri Y.S. Chowdary
<b>MANAGING DIRECTOR</b>	:	Shri R.K.Birla
<b>DIRECTORS</b>	:	Shri G.Srinivasa Raju Shri S.Hanumantha Rao Shri J. Ramakrishnan* Dr. K.Srinivasa Rao* Dr. V.Malakonda Reddy* Shri Ashok Kumar De*, IDBI Nominee * Independent, Non-Executive Directors

<b>MANAGEMENT COMMITTEE</b>	:	Shri Y.S.Chowdary Shri G.Srinivasa Raju Shri R.K.Birla Shri S.Hanumantha Rao
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<b>AUDIT COMMITTEE</b>	:	Dr.K.Srinivasa Rao Shri S.Hanumantha Rao Dr.V.Malakonda Reddy Shri Ashok Kumar De
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<b>SHARE TRANSFER COMMITTEE</b>	:	Shri Y.S.Chowdary Shri G.Srinivasa Raju Shri R.K.Birla
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<b>SHAREHOLDERS' GRIEVANCES COMMITTEE</b>	:	Shri S.Hanumantha Rao Shri Y.S.Chowdary Shri G.Srinivasa Raju
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<b>REMUNERATION COMMITTEE</b>	:	Dr.K.Srinivasa Rao Shri J.Ramakrishnan Dr. V. Malakonda Reddy
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<b>COMPANY SECRETARY</b>	:	Shri Shaik Ibraheem
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<b>CHIEF FINANCIAL OFFICER</b>	:	Shri V.R.Chary
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<b>STATUTORY AUDITORS</b>	:	M/s.Deloitte Haskins & Sells Chartered Accountants, Hyderabad.
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<b>COST AUDITORS</b>	:	M/s Nageswara Rao & Co, Cost Accountants, Secunderabad.
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<b>BANKERS</b>	:	Andhra Bank Bank of Baroda Bank of India IDBI Bank Limited Indian Overseas Bank Indian Bank Karnataka Bank Limited State Bank of Patiala Punjab National Bank Lakshmi Vilas Bank Oriental Bank of Commerce
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# SUJANA METAL PRODUCTS LIMITED

## REGISTERED OFFICE & CORPORATE OFFICE

: Plot No.41, Nagarjuna Hills, Panjagutta,  
Hyderabad-500082, Andhra Pradesh

## WORKS

### : **Hyderabad :**

- (i) Survey No.296/7/9
- (ii) Plot No. 4, Survey No.296/7/7, 8 & 11,
- (iii) Survey No. 296/7/7, 296/7/8, 296/7/11
- (iv) Survey No. 296/7/7, 8 & 11, IDA Bollaram,  
Jinnaram Mandal Medak District-502325, (A.P).
- (v) Survey No. 196 & 197, Parigi Road,  
Elikatta Village, Shadnagar,  
Mahaboobnagar District, Andhra Pradesh.
- (vi) Cut and Bend Division: Survey No. 204, 205 & 206  
Elikatta Gram Panchayat,  
Farooq Nagar Mandal,  
Mahaboob Nagar District-509216, Andhra Pradesh.
- (vii) Trading Division : Plot No. 4, Survey No. 296/7/7A,  
IDA Bollaram, Jinnaram Mandal,  
Medak District-502325, Andhra Pradesh.

### **Chennai:**

- (i) Survey No. 204/8B, Manjankaranai Village,  
Chengai, M.G.R. District - 620 502, Tamilnadu
- (ii) Plot No. B-20E, SIPCOT Industrial Complex,  
Gummidi Pondi, Chennai, Tamilnadu.
- (iii) 150, Vichur Road, Vichur Village, Ponneri Taluq,  
Tiruvellure District, Tamilnadu.

### **Visakhapatnam:**

Sanivada Village, Rajeevnagar, Visakhapatnam - 530046.

## LISTING

### : **Equity**

Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd (NSE)  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051.

The Madras Stock Exchange Limited (MSE)  
Exchange Building, P.Box 183, 11, 2<sup>nd</sup> Line Beach,  
Chennai – 600 001.

### **Global Depository Receipts (GDRs)**

Luxembourg Stock Exchange,  
Societe De La Bourse De Luxembourg,  
B.P.165, L-2011, Luxembourg.

## REGISTRAR & SHARE TRANSFER AGENTS

: M/S Bigshare Services Pvt.Ltd.  
306, Right Wing, 3<sup>rd</sup> Floor Amrutha Ville, Opp: Yashoda  
Hospital, Raj Bhavan Road, Somajiguda,  
Hyderabad - 500 082. Phone No: 040 – 2337 4967.

## NOTICE

***NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of the Company will be held on Saturday, the 22nd day of September, 2012 at "Kohinoor", Taj Deccan, Road No. 1, Banjara Hills, Hyderabad-500 034, Andhra Pradesh at 11.30 A.M. to transact the following business:***

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31<sup>st</sup> March, 2012 and the statement of profit and loss for the year ended 31<sup>st</sup> March, 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.Srinivasa Raju, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration 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 M/s CRK & Associates, Chartered Accountants, Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors, in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, who expressed their inability to continue as Statutory Auditors of the Company due to their pre-occupation".

### SPECIAL BUSINESS

5. **To consider and if though fit, to pass with or without modifications, the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII

and other applicable provisions, if any, of the Companies Act, 1956 and approval of the Central Government, if necessary, the remuneration of Shri R.K.Birla, Managing Director, be fixed on the following terms and conditions, with effect from 01.11.2011 for the balance tenure of his office:

1. Salary : Rs. 8,50,000/- per month.  
The perquisites are classified into three categories A, B and C as follows :

#### Category A:

1. Housing:
  - (i). The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 18% of the salary.
  - (ii). In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (i) above.
2. Club Fees: Fees of Clubs subject to a maximum of one club. This will not include admission and life membership fees.

#### Category B:

Contribution to provident fund superannuation or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act of 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.10,00,000/-

#### Earned/privilege leave:

On full pay and allowances as per the rules of the Company, but not more than 15 days leave for every twelve months of service. Leave accumulated but not availed of will be allowed to be encashed at the end of the tenure.

The aforesaid perquisite stated in Category B will not be included in the computation of the aforesaid ceiling on perquisites.

# SUJANA METAL PRODUCTS LIMITED

## Category C:

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

## Ceiling:

subject to the Provisions of Section 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956 when the profits in a financial year are adequate, the remuneration payable by way of salary, perquisites and other allowances shall not exceed five percent of the Company's net profits, provided that if there are more than one managerial person, it shall not exceed ten percent for all of them together in a financial year.

## Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during his tenure as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Part II Section II of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the Compliance thereof but in any event shall not exceed the remuneration payable when the profits of the Company are adequate.

"RESOLVED FURTHER that Shri. S. Hanumantha Rao, Executive Director and Shri Shaik Ibraheem, Company Secretary of the Company be and are hereby severally authorized to file necessary forms with the Register of Companies (ROC), to complete all the formalities and compliances and to do all such acts, deeds and things as may be necessary in this regard."

## 6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution through Postal Ballot :

"RESOLVED THAT, in addition to the earlier resolution passed by the members of the Company through postal ballot on 24<sup>th</sup> December, 2010 and pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the

Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of Public Financial Institutions, and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or duly authorized Committee thereof for the time being exercising the powers conferred by the Board, consent of the Company be and is hereby given to the Board and/or duly authorized Committee thereof, to make any loan to and/or to give any guarantee to and/or to provide security, in connection with a loan made by any other person to or to other person by and/or to acquire, by way of subscription, purchase or otherwise the securities, of M/s Optimix Enterprises Limited, Mauritius (being the step down subsidiary of the Company) upto an amount of US\$ 10.00 Million (US Dollars Ten Million only) (including the guarantee already provided for US\$ 7.5 Million) which exceeded sixty percent of the aggregate of the paid-up capital of the Company and its free reserves or hundred percent of the free reserves, whichever is more, but the loans to be made and/or the guarantees to be given or the security to be provided and/or the investment to be made together with the existing loans made and/or the guarantees given or security provided and/or investment already made, shall not exceed the amount as specified at any point of time."

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

**7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution through Postal Ballot:**

“RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions if any of the Companies Act, 1956, the Board of Directors/Management Committee of the Board of Directors of the Company be and is hereby authorised to transfer by way of slump sale, business sale on “on going concern basis” or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/ Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries present and future or to any other body corporate whether registered in India or elsewhere.”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Management Committee be and is hereby authorized to determine the terms and conditions including consideration, mode of transfer and to do all such acts, deeds, matters and things, as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard thereto”.

**8. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution through Postal Ballot :**

“RESOLVED THAT pursuant to the provisions of Section 17, 146, 192A and other applicable provisions, if any, of the Companies Act, 1956, and rules and regulations made there under including any statutory modification or re-enactment thereof for the time being in force and subject to confirmation of the Company Law Board delegated to Regional Director (vide notification no. S.O. 1539(E) dated July 10, 2012 issued by Ministry of

Corporate Affairs), and such other approvals, consents, permissions and sanctions as may be necessary, consent of the members of the Company be and is hereby accorded to shift the Registered Office of the Company **from** 8-2-248/1/7/41, Nagarjuna Hills, Panjagutta, Hyderabad-500 082, Andhra Pradesh **to** Nijapadam, No.6/9, Damodaran Street, (Opp: Spur Tank Road/Near Old RTO Office), Chetpet, Chennai - 600 031, Tamilnadu.”

“RESOLVED FURTHER THAT the existing Clause No.II of the Memorandum of Association of the Company be and is hereby substituted by the following Clause:-

II. The Registered Office of the Company will be situated in the State of Tamilnadu”

“RESOLVED FURTHER that on the confirmation by the Company Law Board delegated to Regional Director, the Registered Office of the Company be shifted from the State of Andhra Pradesh to the State of Tamilnadu.”

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard as the Board may in its sole and absolute discretion deems fit and delegate all or any of its powers herein conferred to any director (s) and/ or officer (s) of the Company, if required, as it may in its absolute discretion deem it necessary or desirable.”

**9. 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 16 and 94 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and in accordance with the relevant provisions of Memorandum and Articles of Association of the Company, the Authorised Share Capital of the Company,

# SUJANA METAL PRODUCTS LIMITED

Rs. 200,00,00,000/- (Two Hundred Crores only) divided into 32,00,00,000 (Thirty Two Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 40,00,000 (Forty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each be and is hereby reclassified into 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each total aggregating to Rs.200,00,00,000/- (Two Hundred Crores only).

“RESOLVED FURTHER THAT the Clause V(a) of the Memorandum of Association of the Company be altered as follows:

The Authorised Share Capital of the Company is Rs.200,00,00,000/- (Two Hundred Crores only) divided into 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs. 5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each.”

“RESOLVED FURTHER THAT the Board of Directors or Committee duly authorized by the Board, be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

## **10. 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 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into with the Stock Exchanges by the Company, where the shares of the Company are listed and subject

to the consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary, and /or subject to such terms and conditions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, including existing Management Committee of the Board of Directors delegated or as may be delegated with its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 10,00,000 (Ten Lakh) Cumulative Redeemable Preference Shares (“CRPS”) of the face value of Rs.100/- (Rupees One Hundred only) each, to be subscribed by, by any person or persons, whether or not shareholders of the Company, [including one or more of the members, promoters, financial institutions, banks, mutual funds, foreign investors, Non-Resident Indians, Overseas Corporate Bodies(OCB), Foreign Institutional Investors(FII), Multilateral Agencies, Venture Capital Fund, Foreign Financial Institutions, Bodies Corporate, Companies, private or public and other entities], whether through public issue, rights issue, private placement or otherwise, in one or more tranches and on such terms and conditions (including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matters incidental thereto) as the Board may in its absolute discretion decide.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the said issue, the Board/Management Committee be and is hereby authorised to take all such actions as may be deemed necessary, proper and expedient for the issue/allotment of the Preference Shares and to do all such acts, deeds and things in connection therewith and/or incidental thereto and to settle all issues that may arise in this regard in the manner as the Board/Management Committee may deem fit and appropriate, without being required to seek any further consent or approval of the members of the Company in General Meeting or otherwise and that the members shall be



deemed to have given their approval thereto expressly by the authority of this resolution”.

“RESOLVED FURTHER THAT the Board / Management Committee may delegate all or any of the powers conferred herein to any Directors or Company Secretary or any officer of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be considered necessary for the said issue”.

**BY ORDER OF THE BOARD**

**R.K.BIRLA**  
MANAGING DIRECTOR

PLACE: Hyderabad

DATE: 16.07.2012

**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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. The Share transfer books and Register of Members of the Company will remain closed on 20.09.2012 (one day only).
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.

The registration of share transfers and other

related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.

5. The shareholders / members of the Company, who are having equity shares of the Company in physical form are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders /members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.

Some of the advantages to the investors who are having the shares in demat mode are :

- a. There is no scope of any risk of loss, theft, damage or fraud and bad deliveries are eliminated;
  - b. Shareholders no longer have to wait for the shares transferred in his name. Delay is almost eliminated;
  - c. This system totally eliminates risks associated with loss/fraudulent interception of share certificates in postal transit;
  - d. In the physical mode, shares may only be sold and bought at marketable lot. No such hassle is experienced in the demat mode;
  - e. Genuineness is always guaranteed in the demat mode.
6. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.
  7. The resolution in item nos. 6, 7 and 8 are proposed to be passed by the shareholders by way of exercising the voting by them by postal ballot, for which postal ballot form along with instructions and the calendar of events can be found on page no. 111 & 112.
  8. The Ministry of Corporate Affairs (MCA) has



# SUJANA METAL PRODUCTS LIMITED

taken an initiative in respect of 'Green Initiative in the Corporate Governance' by allowing the Companies to send the notices/documents including annual reports to the members through electronic mode by giving an advance opportunity to the members for registering their e-mail addresses with the Company/ Depository from time to time for receiving the same. In this connection, the members are requested to register their e mail addresses by sending an e-mail with the following details to 'cssmpl@sujana.com' or by visiting our website 'www.sujana.com' or register the same with the Company's Registrar and Share Transfer Agents "Bigshare Services Private Limited".

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

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

### Item No. 5

Shri R.K.Birla, was re-appointed as Managing Director of the Company for a period of 5 years with effect from 28.01.2008. Shri R.K.Birla is an able and efficient person to shoulder the responsibilities and duties of the Managing Director.

In accordance with the provisions of Section 198, 269 and 309 and Schedule XIII of the Companies Act, 1956, approval of shareholders is required for enhancement of his remuneration with effect from 01.11.2011 for the balance period of tenure of his office.

Your directors recommended the resolution for your approval.

None of the directors except Shri R.K.Birla is interested or concerned in the aforesaid resolution.

### Item No. 6

The Company furnished a Corporate Guarantee on behalf of M/s Optimix Enterprises Limited, Mauritius(a step down wholly owned subsidiary of the Company) for securing the Derivative Products Trading Facility aggregating to an amount of US\$ 7.50 Million sanctioned by "Standard Bank (Mauritius) Limited, Mauritius".

Section 372A of the Companies Act, 1956 prescribes that the Company can give loan or any guarantee or provide security or acquire or purchase the securities of any other body corporate, upto sixty percent of its paid-up share capital and free reserves, or hundred percent of its free reserves, whichever is more.

Since the Company has already furnished guarantee on behalf of M/s Optimix Enterprises Limited, Mauritius, a step down wholly owned subsidiary of the Company for securing the Derivative Products Trading Facility aggregating to an amount of US\$ 7.50 Million sanctioned by "Standard Bank (Mauritius) Limited, Mauritius", the post facto approval of the members may be obtained in accordance with proviso to Section 372A of the Companies Act, 1956.

As per the provisions of the Section 192A of the Companies Act, 1956 read with the provisions of

the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 as amended, the approval of the members is required through the Postal Ballot for the aforesaid purpose.

Therefore, your Directors recommend the resolution for your approval.

All the Directors holding Shares in the Company may be deemed to be concerned or interested in the above resolution to the extent of the shares held by them or their relatives.

#### Item No. 7

In order to carry on the business of trading in various commodities including steel and steel related products and the business of manufacturing steel products more efficiently, it is contemplated to transfer the manufacturing facilities of your company to its subsidiaries and/or any other body corporates.

It is now proposed to transfer by way of slump sale, business sale on “on going concern basis” or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries or to any other body corporate whether registered in India or elsewhere.

Section 293(1) (a) of the Companies Act, 1956 provides inter alia that the Board of Directors of public company shall not, without the consent of the members of the Company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking.

The members are requested to authorise the Board/Management Committee with the requisite authority under section 293(1) (a) of the Companies Act, 1956, to lease or transfer the whole or substantially the whole of the undertaking of the Company.

As per the provisions of the Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 as amended, the approval of the

members is required through the Postal Ballot for the aforesaid purpose.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in the aforesaid resolution, except to the extent of their share holding, if any and in terms of their employment with the Company.

#### Item No. 8

Members are aware that the Registered office of the Company is situated at 8-2-248/1/7/41, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082, Andhra Pradesh. However, the registered office of the Company is proposed to be shifted to Chennai, Tamilnadu state to (i) carry on the business more economically and more efficiently and to change the local area of operations of the Company (ii) further strengthen the business growth; (iii) increase the business operations by getting more projects of public, private and government; (iv) grab more business opportunities and increase the scale of operations, which altogether enhance the shareholder's value by way of improved financial structures, cash flows. The shifting of registered office to Chennai is also more economical, convenient, comfortable, advantageous and beneficial in view of

- (a) The growth in business operations of the Company and to register the Company's presence in the Southern States;
- (b) The increased demand for the products of the Company in Southern States, will enable the Company to improve its market share, thereby achieving larger volumes of sales and profits;
- (c) To expand its product range by introducing other products in steel and other related business conditions for which Chennai port is considered ideal;
- (d) To boost the exports of the Cast Iron products by extensively utilising the facilities of the Chennai port;
- (e) To organise transportation of bulk supplies to southern markets in most economical and effective manner;
- (f) To exercise better control over the distribution and dealer net work spread in the southern