



SATHAVAHANA ISPAT LIMITED

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EXTRACTS OF MINUTES OF 26th ANNUAL GENERAL MEETING OF
 SATHAVAHANA ISPAT LIMITED, HELD ON WEDNESDAY, THE 30TH
 SEPTEMBER 2015 AT 3.00 P.M. AT SRI SAGI RAMAKRISHNAM RAJU
 COMMUNITY HALL, MADURANAGAR, HYDERABAD - 500 038

PRESENT :

Shri K.Thanu Pillai	Chairman
Shri A.S.Rao	Executive Vice Chairman
Shri Syed Anis Hussain	Independent Director
Smt Y Prameela Rani	Independent Director
Shri A.Naresh Kumar	Managing Director

IN ATTENDANCE :

Shri K.V.Krishna Rao	CFO & Company Secretary
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SPECIAL INVITEE :

Shri P.V.R.K.Nageaswara Rao	Partner, M/s P.V.R.K.Nageswara Rao&Co., Chartered Accountants, Statutory Auditors of the Company.
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Shri K.V.Krishna Rao, CFO & Company Secretary welcomed the members to the 26th Annual General Meeting of the Company. The Company Secretary introduced the Directors and the Auditors on the dais to the members. The Company Secretary then handed over the proceedings to the Chairman of the meeting to conduct the business.

The Chairman called the meeting to order and announced that the requisite quorum was present for the meeting. The Chairman noted the attendance of 175 members including two promoters and 337 proxies including five from promoters group. The Chairman then, with the consent of the shareholders announced that the notice of the 26th Annual General Meeting as already circulated amongst the members, was taken as read.

The Chairman then addressed the members, statement of which was circulated to the members present, highlighting the economic and industrial scenario, performance of the Company, reasons for not considering the dividend, Expansion project, outlook etc.

The Chairman then called on the Auditors M/s P.V.R.K.Nageswara Rao & Co., Chartered Accountants,



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Note : Please address all the correspondence to head office

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Statutory Auditors of the Company to present the Auditors' Report for the financial year ended 31st March 2015 to the Shareholders. The Auditor's report was read by Shri. P.V.R.K. Nageswara Rao and the Report on Legal and Regulatory Requirements of the Auditors were taken as read with the permission of the Shareholders.

The Chairman later invited Shri A.Naresh Kumar, Managing Director to read the Directors' Report to the Shareholders. The Directors' Report was taken as read with the permission of the Shareholders.

The Chairman then called on the Executive Vice Chairman to give brief on the industrial scenario, performance specifics of the Company etc. Shri A.S.Rao in his brief explained about the down cycle of Commodity markets, marketing prospects for Ductile Iron Pipes given the announcements of water grid projects by the Governments, Iron Ore situation including auction status of Iron Ore mines in the Karnataka, Coking Coal availability, invocation of Section 11 of Electricity Act by Government of Karnataka etc. Referring to the Company specifics, he stated that the operations are normal and Company is trying its best to ramp up the Ductile Iron Pipe production. In his summary, he stated that the things in the country are expected to improve from third quarter of current financial year onwards.

The Chairman then announced that the meeting is opened for discussion and invited the Shareholders to raise their questions and seek clarification on issues concerning the industry and the Company. The Shareholders raised queries on mailing of Annual Reports, performance of the Company, Interest outgo, marketing potential for Ductile Iron Pipes; Comparative performance of the Company vis-à-vis competitors, company's performance ahead, debt level and plans to reduce the same, likely time frame to come out of carry forward loss etc. The Chairman directed the Company Secretary to answer the queries. The queries raised were answered by the Company Secretary to the satisfaction of Shareholders.

The Chairman then announced that the business as given in the Notice be taken up for approval of the Shareholders.

The Chairman called on the Company Secretary to read out the items listed in the business.



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Later the Company Secretary read out gist of all the resolutions as noted below:

Resolution		
No.	Description	Type
	As Ordinary business	
1.	To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2015 along with the Reports of Directors and Auditors thereon.	Ordinary
2.	To appoint a Director in place of Shri A.S.Rao (DIN:00899415) who retires by rotation and being eligible, offers himself for reappointment as Director.	Ordinary
3.	To ratify the appointment of Auditors under Sections 139, 142 and other applicable provisions of the Companies Act 2013 and fix their remuneration. The Auditors M/S.P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad, (Firm's Registration Number: 002283S) are eligible for ratification of appointment.	Ordinary
	As Special Business:	
4.	To appoint Dr. Shailendra Dasari (DIN: 07263439) as Director.	Ordinary
5.	To re-appoint Shri A.S. Rao (DIN: 00899415) as Executive Vice Chairman.	Special
6.	To appoint Dr. Shailendra Dasari (DIN: 07263439) as Executive Director (Operations).	Special
7.	To approve/fix the remuneration payable to Cost Auditors, M/s. S. Mahadevan & Co., (Firm's Registration Number: 00007) for the year ending 31st March 2016.	Ordinary

The Chairman then introduced the new appointee Director viz., Dr. Shailendra Dasari whose brief background was presented by the Company Secretary as was called by the Chairman.

The Chairman then announced that the voting on resolutions by show of hands will not be allowed as mandated by the Companies Act 2013. He then requested the shareholders who have not cast their vote in e-voting or through physical Ballot Paper to cast their vote through Ballot paper available at the Ballot box in the hall. He later informed that the voting results of the Annual General Meeting would be announced and disseminated within 48 hours.



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VOTE OF THANKS:

After carrying out all the business listed in the Notice the Chairman once again thanked all the members and called on the Company Secretary to propose vote of thanks. The Company Secretary did so. He also conveyed seasonal greetings to the members on behalf of the Company, Board of Directors and on his own behalf.

The meeting concluded thereafter.

The Voting results of the Annual General Meeting were declared on 1st October 2015 and the following resolutions were accordingly considered as passed with requisite majority:

- 1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2015 along with the Reports of Directors and Auditors thereon:**

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.998% and against 0.002%.

"Resolved that the Audited Accounts of the Company for the year ended 31st March 2015 along with the Reports of Directors and Auditors there on be and are hereby approved".

- 2. To appoint a Director in place of Shri A.S.Rao (DIN:00899415) who retires by rotation and being eligible, offers himself for reappointment as Director:**

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.998% and against 0.002%.

"RESOLVED That Shri A.S. Rao(DIN:00899415)be and is hereby re-appointed as Director of the Company".

- 3. To ratify the appointment of Auditors under Sections 139, 142 and other applicable provisions of the Companies Act 2013 and fix their remuneration. The Auditors M/S.P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad, (Firm's Registration Number: 002283S) are eligible for ratification of appointment:**



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Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.998% and against 0.002%.

"RESOLVED that, pursuant to Section 139, 142 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, the appointment of M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad (Firm's Registration Number: 002283S) as Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of twenty seventh Annual General Meeting, be and is hereby ratified on a remuneration including Service Tax and travelling/out of pocket expenses to be mutually agreed upon by the Board of Directors of the Company and the Auditors".

4. To appoint Dr. Shailendra Dasari (DIN: 07263439) as Director:

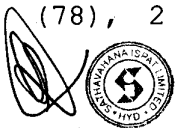
Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.998% and against 0.002%.

"RESOLVED that Dr. Shailendra Dasari (DIN:07263439) who has submitted a declaration that he meets the criteria as provided in Section 152 of the Companies Act 2013 for appointment as a Director 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, 2015 to 30th September 2018."

5. To re-appoint Shri A.S. Rao (DIN: 00899415) as Executive Vice Chairman:

Type of Resolution: Special, passed with requisite majority with percentage of votes polled in favor 99.998% and against 0.002%.

"RESOLVED that pursuant to the provisions of Sections 2 (78), 2 (94), 196, 197 and 203, read with Schedule V and



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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.S.Rao (DIN:00899415) Executive Vice Chairman for a period of three years effect from 27.07.2015 to 26.07.2018 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 the appointee; 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 dependent 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.



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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 for self and dependent family 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 the appointee.

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 period of appointment, the appointee is entitled to a minimum salary and perquisites as provided in Schedule V and other applicable provisions to the Companies Act 2013".



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5. REMUNERATION TENOR AND CEILING:

The remuneration fixed herein is for a period of three years from 27.07.2015 to 26.07.2018 and the Board of Directors of the Company be and is hereby authorised to vary or modify the terms of remuneration in the said tenure without any further reference to the Company in General Meeting subject to however that the overall remuneration payable to the appointee 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 Vice Chairman held by Shri A.S.Rao pursuant to this resolution is liable to determination by retirement of Directors by rotation".

6. To appoint Dr. Shailendra Dasari (DIN: 07263439) as Executive Director (Operations):

Type of Resolution: Special, passed with requisite majority with percentage of votes polled in favor 99.998% and against 0.002%.

"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 Dr. Shailendra Dasari (DIN: 07263439), as Executive Director (Operations) for a period of three years effect from 01.10.2015 to 30.09.2018 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 the appointee; Or



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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 ten percent of salary of the appointee.

ii. Medical Reimbursement : Expenses incurred for self and dependent 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 dependent 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 for self and dependent family 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



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private purpose shall be billed by the Company to the appointee.

3. MINIMUM REMUNERATION:

In the event of losses or inadequacy of profits during the above period, the appointee 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 CEILING:

The remuneration fixed herein is for a period of three years from 1st October 2015 to 30th September 2018 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 appointee 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 Dr. Shailendra Dasari pursuant to this resolution is liable to determination by retirement of Directors by rotation".

7. To approve/fix the remuneration payable to Cost Auditors, M/s. S. Mahadevan & Co., (Firm's Registration Number: 00007) for the year ending 31st March 2016:

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.997% and against 0.003%.

"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) be and hereby, based on the recommendation of the Audit Committee, appointed as Cost Auditor of the Company to conduct Cost Audit of the Cost Records of the Company for the financial year ending 31st March 2016 and be paid a remuneration of Rs.4.50 lakhs (Rupees four lakhs fifty thousand only) plus Service Tax and travelling / out of pocket expenses at actuals.



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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."

Place: Hyderabad
Date: 03.10.2015

Sd/-
(K. Thanu Pillai)
Chairman

CERTIFIED TRUE COPY

For Sathavahana Ispat Limited

(K.V. Krishna Rao)
Chief Financial Officer &
Company Secretary

