



CIN : L27109TG1989PLC010654

SATHAVAHANA ISPAT LIMITED

H.O. : 505, Block 1, Divyashakti Complex, Ameerpet, Hyderabad - 500 016.

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EXTRACTS OF MINUTES OF 25th ANNUAL GENERAL MEETING OF SATHAVAHANA ISPAT LIMITED, HELD ON TUESDAY, THE 30TH SEPTEMBER 2014 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	Director
Shri S.N.Rao	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 25th 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 217 members including two promoters and 338 proxies six from promoters group. The Chairman then, with the consent of the shareholders announced that the notice of the 25th 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,



Note : Please address all the correspondence to head office

Regd. Office : 314, Sri Rama Krishna Towers, Nagarjuna Nagar, Hyderabad - 500 073.

Works : (1) Haresamudram Village, Bommanahal Mandal, Anantapur Dist. (2) Kudithini Village, Kurugodu Road, Bellary Dist. Karnataka State

Bellary Office Phones : 242355, 242455, 242655 Fax : 08392 - 242955

Minutes of 25th Annual General Meeting held on 30.09.2014

Statutory Auditors of the Company to present the Auditors' Report for the financial year ended 31st March 2014 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 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 the demand situation for Ductile Iron Pipes; company's performance during the year under review and performance ahead. 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.

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

Resolution		
No.	Description	Type
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.	Ordinary
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.	Ordinary
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.	Ordinary
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.	Ordinary
5.	To appoint Auditors under Sections 139, 141 and	Ordinary



Minutes of 25th Annual General Meeting held on 30.09.2014

Resolution		
No.	Description	Type
	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.	
6.	To appoint Smt. Y. Prameela Rani (DIN:03270909) as an Independent Director	Ordinary
7.	To appoint Shri. T. Sreerama Murthy (DIN:06946918) as Director	Ordinary
8.	To re-appoint Shri A.Naresh Kumar (DIN:00112566) as Managing Director	Special
9.	To appoint Shri T. Sreerama Murthy (DIN:06946918) as Executive Director (Operations)	Special
10.	To vary the terms of appointment of Shri A.S.Rao, (DIN:00899415) Executive Vice Chairman	Ordinary
11.	To approve the remuneration payable to Cost Auditors, M/s. S. Mahadevan & Co., for the year ending 31 st March 2015 and ratify the remuneration paid / payable for cost audit conducted for the year ended 31 st March 2014	Ordinary

The Chairman then introduced the new appointee Directors viz., Smt Y. Prameela Rani, Dr. M. Sreerama Mohan Rao and Shri T. Sreerama Murthy 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.

The Chairman then informed that the results of Postal Ballot on the business set out in terms of section 110 of the Companies Act 2013 read with Rule 22 of the Companies (Management and Administration) Rules 2014 with respect to those resolutions where voting process was already completed through Postal Ballot were announced today morning and for ready reference and kind information of shareholders he directed the Company Secretary to read out the results once again. The Company Secretary did so.

VOTE OF THANKS:



Minutes of 25th Annual General Meeting held on 30.09.2014

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 2014 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, 2014 along with the Reports of Directors and Auditors thereon.

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.98% and against 0.02%.

"Resolved that the Audited Accounts of the Company for the year ended 31st March 2014 along with the Reports of Directors and Auditors there on be and are hereby approved".

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.

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.91% and against 0.09%.

"Resolved that Shri K. Thanu Pillai (DIN:00115814) 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, be and is hereby appointed as an Independent Director on the Board of the Company who shall hold office for term upto five consecutive years from 01.10.2014 to 30.09.2019 whose office is not liable to retire by rotation".



Minutes of 25th Annual General Meeting held on 30.09.2014

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.

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.90% and against 0.10%.

"Resolved that Shri Syed Anis Hussain (DIN:00115949) 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, be and is hereby appointed as an Independent Director on the Board of the Company who shall hold office for term upto five consecutive years from 01.10.2014 to 30.09.2019 whose office is not liable to retire by rotation".

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.

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.93% and against 0.07%.

"Resolved that Shri S.N.Rao (DIN:00116021) 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, be and is hereby appointed as an Independent Director on the Board of the Company who shall hold office for term upto five consecutive years from 01.10.2014 to 30.09.2019 whose office is not liable to retire by rotation".

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, (Firm's



Minutes of 25th Annual General Meeting held on 30.09.2014

Registration Number: 002283S) Hyderabad, are eligible for reappointment.

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.96% and against 0.04%.

"RESOLVED that, pursuant to Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under 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: 002283S) 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 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".

6. To appoint Smt. Y. Prameela Rani (DIN:03270909) as an Independent Director:

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.96% and against 0.04%.

"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 whose office is not liable to retire by rotation."



Minutes of 25th Annual General Meeting held on 30.09.2014

7. To appoint Shri. T. Sreerama Murthy (DIN:06946918) as Director:

Type of Resolution: Ordinary, passed with requisite majority with percentage of votes polled in favor 99.66% and against 0.34%.

"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 (DIN:00112566) as Managing Director:

Type of Resolution: Special, passed with requisite majority with percentage of votes polled in favor 99.66% and against 0.34%.

"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 :



Minutes of 25th Annual General Meeting held on 30.09.2014

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:



Minutes of 25th Annual General Meeting held on 30.09.2014

- 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".



Minutes of 25th Annual General Meeting held on 30.09.2014

9. To appoint Shri T. Sreerama Murthy (DIN:06946918) as Executive Director (Operations):

Type of Resolution: Special, passed with requisite majority with percentage of votes polled in favor 99.66% and against 0.34%.

"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

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.



Minutes of 25th Annual General Meeting held on 30.09.2014

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:

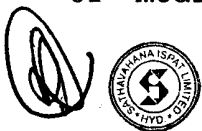
Provision of car for use on Company's business and telephone at residence / mobiles. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company to Shri T. Sreerama Murthy, Executive Director (Operations).

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



Minutes of 25th Annual General Meeting held on 30.09.2014

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."

Place: Hyderabad
Date: 24.10.2014

Sd/-
(K. Thanu Pillai)
Chairman

For Sathayana Ispat Limited

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

