NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th 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 Saturday, the 29th September, 2018 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, 2018 along with the Reports of Directors and Auditors thereon.
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.
3. To appoint a Director in place of Dr. Shailendra Dasari (DIN: 07263439) who retires by rotation and being eligible, offers himself for reappointment as Director.

AS SPECIAL BUSINESS:

4. To re-appoint Shri A.S.Rao (DIN:00899415) as Executive Vice Chairman 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.S.Rao (DIN:00899415) Executive Vice Chairman for a period of three years effect from 27.07.2018 to 26.07.2021 on the following remuneration:

   1. SALARY :

      Salary of Rs.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.

   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. 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".

   4. REMUNERATION TENOR AND CEILING:

      The remuneration fixed herein is for a period of three years from 27.07.2018 to 26.07.2021 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 A.S.Rao held by Shri A.S.Rao pursuant to this resolution is liable to determination by retirement of Directors by rotation".

5. To appoint Dr. Shailendra Dasari (DIN:07263439)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 Dr. Shailendra Dasari (DIN: 07263439), as Executive Director (Operations) for a period of three years effect from 01.10.2018 to 30.09.2021 on the following remuneration.

1. SALARY :

   Salary of Rs.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

   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 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 2018 to 30th September 2021 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".

6. To approve the appointment and fix remuneration payable to Cost Auditors, M/s. S. Mahadevan & Co., (Firm's Registration Number:00007) for the year ending 31st March 2019 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) be and hereby, based on the recommendation of the Audit Committee, appointed as Cost Auditors of the Company to conduct Cost Audit of the Cost Records of the Company for the financial year ending 31st March 2019 and be paid a remuneration of Rs.2.50 lakhs (Rupees Two lakhs and fifty thousand only) plus Goods and Service Tax and travelling / out of pocket expenses at actuals.

   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: 14.08.2018

(A. NARESH KUMAR)
MANAGING DIRECTOR
(DIN:00112566)

CIN:L27109TG1989PLC010654
Regd. Office: 314, Sri Ramakrishna Towers,
Nagarjuna Nagar, Hyderabad – 500 073

NOTES:

1) EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 IS ANNEXED.

2) THE RELEVANT DETAILS OF DIRECTORS, AS REQUIRED BY LISTING REGULATIONS SEEKING RE-APPOINTMENT UNDER ITEM NO. 2 TO 5 ABOVE IS ANNEXED.

3) IN COMPLIANCE WITH PROVISIONS OF SECTION 108 OF THE COMPANIES ACT 2013 READ WITH THE RULES MADE THERE UNDER AND IN ACCORDANCE WITH REGULATION 44 OF LISTING REGULATIONS 2015, THE COMPANY IS FACILITATING REMOTE E-VOTING OPTION FOR ITS MEMBERS TO ENABLE THEM TO CAST THEIR VOTES ELECTRONICALLY. MEMBERS HAVE OPTION TO VOTE EITHER THROUGH REMOTE E-VOTING OR THROUGH THE PHYSICAL BALLOT PAPER. IF A MEMBER HAS OPTED FOR REMOTE E-VOTING, THEN HE/SHE SHOULD NOT VOTE BY PHYSICAL BALLOT ALSO AND VICE-VERSA. HOWEVER, IN CASE MEMBERS CAST THEIR VOTE BOTH VIA PHYSICAL BALLOT AND REMOTE E-VOTING, THEN VOTING THROUGH REMOTE E-VOTING SHALL PREVAIL AND VOTING DONE BY PHYSICAL BALLOT SHALL BE TREATED AS INVALID. FOR THE PURPOSE OF REMOTE E-VOTING, THE COMPANY HAS SIGNED AN AGREEMENT WITH THE CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED ("CDSL") FOR FACILITATING REMOTE E-VOTING.

4) A MEMBER DESIRING TO EXERCISE VOTE BY PHYSICAL BALLOT SHALL FILL IN AND COMPLETE IN ALL RESPECTS THE BALLOT PAPER DULY CHECK (Ü) 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.

5) THE PHYSICAL 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 24TH AUGUST, 2018.

6) VOTING RIGHTS SHALL BE RECKONED IN PROPORTION TO THE PAID-UP EQUITY SHARES REGISTERED IN THE NAME OF THE MEMBER AS ON CUT OFF DATE / RECORD DATE 15TH SEPTEMBER, 2018.

7) RESOLUTIONS PASSED BY THE MEMBERS THROUGH PHYSICAL 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.

8) 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 AUTHORISING THEIR REPRESENTATIVES TO ATTEND AT THE GENERAL MEETING.

9) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM **16.09.2018 TO 29.09.2018** (BOTH DAYS INCLUSIVE) FOR TRANSFERS IN PHYSICAL MODE AND ON CLOSING HOURS OF **15.09.2018** FOR ELECTRONIC MODE FOR DETERMINING THE NAMES OF MEMBERS ELIGIBLE FOR THE PURPOSE OF ANNUAL GENERAL MEETING. THE VOTING RIGHTS OF MEMBERS SHALL BE IN PROPORTION TO THEIR SHARES IN THE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON THE CUT-OFF DATE / RECORD DATE OF 15TH SEPTEMBER 2018. ANY PERSON, WHO ACQUIRES SHARES OF THE COMPANY AND BECOMES A MEMBER OF THE COMPANY AFTER DISPATCH OF THE NOTICE AND HOLDING SHARES AS OF THE CUT OFF DATE / RECORD DATE OF 15TH SEPTEMBER 2018, MAY OBTAIN USER ID AND PASSWORD BY SENDING A REQUEST AT SATHAVAHANA@ETH.NET OR AT XLFIELD@GMAIL.COM

10) THE MEMBERS WHO HAVE SO FAR NOT ENCASHED THEIR DIVIDEND WARRANTS RELATING TO THE DIVIDEND DECLARED BY THE COMPANY FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2011 MAY APPROACH THE COMPANY WITHOUT ANY FURTHER DELAY FOR THE PAYMENT OF THE SAID DIVIDEND WARRANTS. PURSUANT TO PROVISIONS OF SECTION 205C OF THE COMPANIES ACT, 1956 AND / OR SECTION 124 & 125 OF THE COMPANIES ACT 2013 FROM THE DATE 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 2011 WILL HAVE TO BE CLAIMED BY THE SHAREHOLDERS ON OR BEFORE 29TH SEPTEMBER 2018 AND THEREAFTER IT WILL BE TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND ON OR BEFORE 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; 31ST MARCH 2014; 31ST MARCH 2015; 31ST MARCH 2016; 31ST MARCH 2017 AND 31ST MARCH 2018.

11) MEMBERS DESIROUS OF SEEKING CLARIFICATIONS ON ACCOUNTS ARE REQUESTED TO SEND THEIR QUERIES TO THE CORPORATE OFFICE ADDRESS OF THE COMPANY ATLEAST SEVEN DAYS BEFORE THE DATE OF THE ANNUAL GENERAL MEETING TO ENABLE THE COMPANY TO COMPILE AND FURNISH REQUIRED INFORMATION.

12) 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, BANJARA 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.

13) 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, BANJARA HILLS, HYDERABAD – 500 034, EMAIL:XLFIELD@GMAIL.COM OR TO THE SECRETARIAL DEPARTMENT OF THE COMPANY AT 505, 5TH FLOOR, BLOCK-1, DIVYASHAKTI COMPLEX, AMEERPET, HYDERABAD – 500 016 EMAIL SATHAVAHANA@ETH.NET

14) 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.

15) 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.

16) MEMBERS HOLDING SHARES IN PHYSICAL FORM AND DESIROUS OF AVAILING THE BENEFIT OF NOMINATION FACILITY IN TERMS OF SECTION 72 OF THE COMPANIES ACT, 2013 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 REGISTRAR AND SHARE TRANSFER AGENTS M/S. XL SOFTECH SYSTEMS LIMITED OR COMPANY'S SECRETARIAL DEPARTMENT.

17) ATTENTION OF THOSE MEMBERS WHO ARE HOLDING COMMPANY'S SHARES IN PHYSICAL FORM IS DRAWN TO THE COMPANY'S LETTER DATED 28.04.2018 REQUESTING THEM TO FURNISH PAN / BANK DETAILS OF THEMSELVES IMMEDIATELY FOLLOWING THE DIRECTIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE CIRCULAR NO.SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20.04.2018. MEMBERS WHO HAVE NOT FURNISHED THE DETAILS SO FAR ARE ONCE AGAIN REQUESTED TO FURNISH THE PAN / BANK ACCOUNT DETAILS IMMEDIATELY BY FOLLOWING THE INSTRUCTIONS STATED IN THE SAID LETTER. FURTHER BSE HAS ISSUED CIRCULAR NO. LIST/COMP/15/2018 DATED JULY 05, 2018 INFORMING ABOUT AMENDMENT TO REGULATION 40 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 GIVING EFFECT TO GAZETTE NOTIFICATION DATED JUNE 8, 2018 ISSUED BY SEBI WHERE IT HAS BEEN MANDATED THAT TRANSFER OF SECURITIES WOULD BE CARRIED OUT IN DEMATERIALIZED FORM ONLY FROM 05.12.2018. HENCE IT IS ADVISED THAT SHARES IN PHYSICAL FORM BE CONVERTED INTO DEMATERIALISED FORM AT THE EARLIEST SO AS TO FACILITATE HASSLE FREE TRADING. HENCE SHAREHOLDERS ARE REQUESTED TO OPEN DEMAT ACCOUNT WITH ANY DEPOSITORY AND SUBMIT THEIR PHYSICAL SHARES WITH THEIR DEPOSITORY PARTICIPANT FOR DEMATERIALISATION OF THE SAME. SHAREHOLDERS EARLIEST COMPLIANCE IS HIGHLY SOLICITED. NON FURNISHING OF THE ABOVE DETAILS AMOUNTS TO NON-COMPLIANCE OF THE ABOVE SEBI CIRCULAR, AND ITS CONSEQUENCES THEREAFTER WILL FOLLOW. HOWEVER THE SHAREHOLDERS WHO DO NOT WISH TO TRADE THE SHARES MAY CONTINUE TO HOLD THE SHARES IN PHYSICAL FORM AS PER THEIR OPTION WITH EXCEPTIONS STATED THERE IN AS PER THE CLARIFICATION ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE PRESS RELEASE NO.34/2018 DATED 10.08.2018 BUT, FOR TRADING PURPOSES, DEMATERILISATION OF SHARES IS MANDATORY POST 05.12.2018.

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 FEE TO THE STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED HAS BEEN PAID UPTO DATE.

GUIDANCE AND INSTRUCTIONS TO THE MEMBERS FOR VOTING:

I. VOTING THROUGH PHYSICAL BALLOT PAPER:

1. A member desiring to exercise vote by Physical Ballot shall fill in and complete in all respects the enclosed Physical Ballot Paper duly check (ü) 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 Physical Ballots will also be accepted, if sent by Courier or by Registered Post at the expense of the Member. The envelopes may also be deposited personally at the address given thereon.
3. The Physical 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 28th September, 2018. Any Physical Ballot Paper received after last date (after 5.00 P.M. on 28th September 2018) 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 Physical Ballot Paper only. No other Form or photocopy of the Form is permitted.

II. Remote voting electronically:

Voting electronically is facilitated through Remote E-voting module of Central Depository Systems (India) Limited (CDSL) that can be accessed on https://www.evotingindia.com

The voting period begins on 26th September 2018 (10.00 hrs.) and ends on 28th September 2018 (17.00 hrs.). During this period shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cutoff date / record date i.e. 15th September

2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e.17.00 hrs. 28th September 2018).

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. Shareholders who have not exercised the voting either through Remote E-voting or by sending Physical Ballot Paper can vote at the time and venue of the Annual General Meeting either physical ballot or by electronic mode made available at the venue.

1. Login to Remote E-Voting and voting electronically:

1.1. Double click on the Internet Explorer Icon located on the desktop of your computer 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. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. Else enter your PAN & at least one detail amongst Bank Account Number and DOB or Date of Incorporation have to be mentioned.

1.4. If you are a first time user follow the steps given below:

For Members holding Shares in Demat Form and Physical Form	
PAN	• 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. E.g. 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 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.

1.5. 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.

1.6. 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 be directed to the screen to enter your password.

1.7. 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.

1.8. 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 to be used also by the Demat holders for e-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.

1.9. For Members holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

1.10. Click on the EVSN for the Company name Sathavahana Ispat Limited (AGM), 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. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed if you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

2.4. The total number of securities you hold is already mentioned in the system. Select whether you assent or dissent for a Resolution.

2.5. Repeat the voting process for all the Resolutions on which you want to vote.

2.6. You can either vote on all the Resolutions in one login or vote partially on certain Resolutions.

2.7. Click on Submit.

2.8. You will see a dialog box stating 'Are you sure, you wish to confirm your vote?'

2.9. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

2.10. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

2.11. Once you confirm, dialog box showing "Vote successfully recorded. Do you wish to print current voting status?" would appear.

2.12. If you wish to take print out of voting done by you then click on "OK" and you can take out the print out. If you do not wish to take print out then click on Cancel then a dialog box "Thank you for using evoting system" will appear.

2.13. Click **OK** again.

2.14. You will be directed to your login home page you can vote for the remaining resolutions or you can re-login later to cast your vote for the remaining resolutions till the expiry of the voting period. The resolutions against which you have cast your vote will not be available for voting but would contain a message in the Choice field.

2.15. Select the decision for the Resolution for which you have not voted as yet and click on Submit.

2.16. Click on "OK" if you wish to confirm your vote.

2.17. The user can re-login after casting his/her vote with the user id and password provided to them any number of times.

2.18. If you do not wish to vote after logging in you can simply Logout.

2.19. Note for Non-Individual Shareholders & Custodians:

- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

3. Reset Password

3.1. For Demat Account Holders - If you have forgotten your password to login to the e-Voting system and wish to vote on resolutions proposed by your Company. The Forgot Password would enable you to login.

3.2. After you select Enter the User ID and Captcha Code click on Forgot Password.

3.3. After you click on Forgot Password, Enter your PAN and any one detail from Email id, Mobile No, Bank Account Number or DOB or Date of Inc. Please note if your Email id, Mobile No. is uploaded in the Master file by the Company / RTA then you will be able to enter details in this field otherwise this field will not be editable. After entering the details click on submit.

3.4. If you enter your email ID the re-set password will come to your email id, if you enter your Mobile no. then an SMS will come informing you about the re-set password.

3.5. In case your Email id and Mobile No. is not editable then you can enter either your Bank Account Number or DOB or Date of Incorporation. Once you enter these details click on submit a dialog box showing "Credentials validated. You can change the password now. A new window will open up to allow you to change the password."

3.6. Click on OK you will be directed to the change password screen. Enter the New Password of your choice and confirm the same.

4. Frequently asked questions:

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

5. GENERAL:

5.1. Members are requested to register their e-mail id with Registrar and Share Transfer Agent (RTA), at XL Softech Systems Limited (Unit: Sathavahana Ispat Limited), Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 Phone: +91-40-23545913 Fax +91-40-23553214 Email:xlfield@gmail.com web: www.xlsoftech.com.

5.2. The e-voting module will be disabled by CDSL for evoting immediately after the last date and time given herein above.

5.3. Voting can be exercised only by the shareholder or his/her duly constituted attorney or in case of bodies corporate or non-individuals, the duly authorized person.

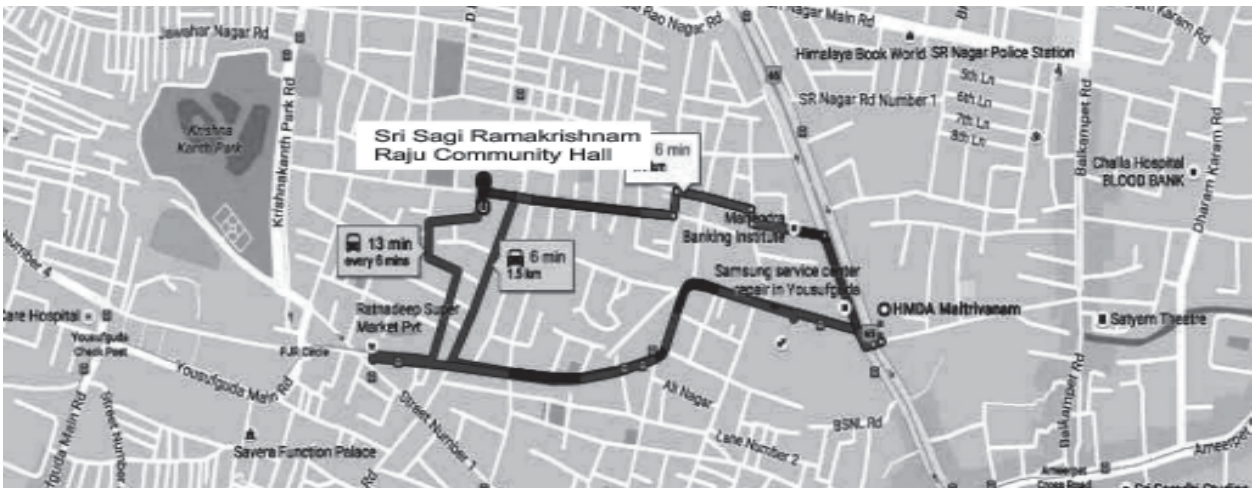
5.4. Shareholders holding shares either in physical form or in dematerialized form may cast their vote electronically.

5.5. The Company has appointed M/s D.Hanumanta Raju & Co., Practicing Company Secretaries, B-13, F-1, P.S.Nagar, Vijayanagar, Colony, Hyderabad – 500 057 as Scrutinisers for conducting the voting process in a fair and transparent manner.

5.6. The Voting results shall be declared by the Company within two days from the date of conclusion of the Annual General Meeting.

The Route Map for Venue of 29th Annual General Meeting is as under:

Route Map to venue :



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 ("ACT") AND LISTING REGULATIONS 2015

ITEM 2 AND 4:

Sri A.S. Rao had been appointed as Executive Vice Chairman in the Board Meeting held on 30.05.2015 for a period of three years w.e.f 27.07.2015 to 26.07.2018 which was approved by the members at the Annual General Meeting of the Company held on 30.09.2015. Further at the 25th Annual General Meeting held on 30.09.2014 the shareholders have pursuant to the provisions of Section 152 read with Schedule V of the Companies Act 2013 approved and made the Office of Executive Vice Chairman held by Shri A.S.Rao as liable to retire by retirement of Directors by rotation. Accordingly his tenure has come to close on 26.07.2018. Shri A.S. Rao is eligible for re-appointment subject to approval of Secured Lenders who have lent Term / Corporate Loans and Working Capital Loans and Shareholders at the General Meeting by a Special Resolution.

Shri A.S.Rao, B.Tech (Hons) in Metallurgy is the Chief Promoter of the Company who has to his credit over five decades of rich experience in the Iron and Steel industry. He had earlier served in Steel Authority of India Limited (SAIL) for over 21 years before moving on to his own business. He is a first generation entrepreneur and has successfully implemented the existing Pig Iron project in 1992-93 with a distinction of being the first project of its kind to have Co-generation Power plant and also the least cost project of similar capacity in the country. Shri Rao took active part and was the guiding force in the brownfield expansions and setting up of greenfield projects implemented during the last one and a half decade by the Company involving both backward and forward integration whereby the Company grew from manufacturer of a single product to a basket of products reaping and retaining significant value additions to the Company in the chain of Iron making. Shri Rao was holding office of the Managing Director of the Company during the period from 1991-1999 and is at present the Executive Vice Chairman of the Company. Under his able stewardship the Company weathered ups and downs in the industry and the growth in the Company could be squarely attributed to his experience, expertise and hard work.

Keeping in view his contribution, it was proposed to re-appoint Shri A.S. Rao as 'Executive Vice Chairman' for a further period of three years from 27.07.2018 to 26.07.2021. The office of the Executive Vice Chairman held by Shri A.S. Rao, in terms of Section 152 of the Companies Act 2013, is liable to retirement of directors by rotation. The appointment and remuneration proposed are as per the provisions of Sections 2 (94), 196, 197, 203 read with the Schedule V and other applicable provisions if any, of the Companies Act 2013, which require the approval of secured lenders who have lent Term / corporate loans and working capital loans to the Company and to whom Shri A.S.Rao has extended his personal guarantees apart from pledging 1424000 equity shares held by him in the Company and is also subject to approval of Members in Annual General Meeting by way of Special Resolution.

The proposed re-appointment was recommended by Nomination and Remuneration Committee of Board of Directors at its meeting held on 30.05.2018.

Shri A.S. Rao, the appointee Director and Shri A. Naresh Kumar, Managing Director, being relative of Shri A.S. Rao are deemed to be interested or concerned in the Resolution. Save and except the above none of the other Directors on the Board, Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution.

In compliance with the provisions of Section 196 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, the appointment of Shri A.S. Rao as Executive Vice Chairman is now being placed before the Members in Annual General Meeting for their approval by way of Special Resolution.

The terms and conditions of appointment of Executive Vice Chairman shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board of Directors commends the resolution for your approval.

ITEM 3 AND 5:

Dr. Shailendra Dasari was appointed as Director on the Board at the Board Meeting held on 14.08.2015 for a period of three years w.e.f. 01.10.2015 to 30.09.2018 and he has also been appointed as Executive Director (Operations)at the Board Meeting held on 14.08.2015 for a period of three years commencing from 01.10.2015 to 30.09.2018 which was subsequently approved by the members at the Annual General Meeting of the Company held on 30.09.2015. Accordingly his tenor of appointment is coming to close on 30.09.2018. Dr. Shailendra is eligible for re-appointment subject to approval of Secured Lenders who have lent Term / Corporate Loans and Working Capital Loans and Shareholders at the General Meeting by a Special Resolution.

Dr. Shailendra Dasari, B.Tech., PGDM (IIMA),Ph.D., is a Graduate in Electronics and Communication Engineering and holds a Master in Business Management from one of the premier management teaching institutions in India. He also holds a doctorate in Business Management. He has rich and varied industrial experience and also in Pipe manufacturing.

Dr. Shailendra Dasari as a President has gained good experience on the operations of the Company. He is actively associated in streamlining the newly commissioned Ductile Iron Pipe making facility.

Keeping in view his contribution and control over the operations of the Company, it is proposed to re-appoint Dr. Shailendra Dasari as 'Executive Director (Operations)' for a period of 3 years from 01.10.2018 to 30.09.2021. The re-appointment and remuneration proposed are as per the provisions of Sections 2 (78), 2 (94), 197, 203 read with the Schedule V and other applicable provisions of the Companies Act 2013, which does not require the approval of Central Government but is subject to approval of secured lenders who have lent Term / corporate loans and working capital loans to the Company and is also subject to approval of Members in Annual General Meeting by way of Special Resolution.

None of the Directors on the Board, Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution.

The matter regarding re-appointment of Dr. Shailendra Dasari as Executive Director (Operations) was placed before the Nomination & Remuneration Committee, which commended his appointment as an Executive Director (Operations) from 01.10.2018 to 30.09.2021 whose office is liable to retirement of Directors by rotation in terms of provisions of Section 152 of the Companies Act 2013.

In compliance with the provisions of Section 196 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, the re-appointment of Dr. Shailendra Dasari

as Executive Director (Operations) is now being placed before the Members in Annual General Meeting for their approval.

The terms and conditions of re-appointment of Executive Director (Operations) shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

The Board of Directors commends the resolution for your approval.

ITEM 6:

In terms of provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013 and Companies (Audit and Auditors) Rules 2014 the Company is required to appoint Cost Auditor for conducting Cost Audit of the Cost Records of the Company. The appointment of Cost Auditor is to be made by the Board of Directors on the recommendation of Audit Committee and fix the remuneration and such remuneration is to be ratified by the Members in the Annual General Meeting.

Accordingly the Board of Directors based on the recommendations of the Audit Committee, has appointed M/s S. Mahadevan & Co., Practicing Cost Auditors (Firm's Registration Number:00007) as Cost Auditors for conducting Cost Audit of the Cost Records of the Company for the year 2018-19 and fixed remuneration as set out in the resolution.

In pursuance of the provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013, read with Companies (Audit and Auditors) Rules 2014 the remuneration payable for conducting Cost Audit of the Cost Records of the Company for the year ending 31st March 2019, to M/s S. Mahadevan & Co., Practicing Cost Accountants is now being placed before the Members in Annual General Meeting for their ratification.

None of the Directors on the Board, Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution.

The Board of Directors commends the resolution for your approval.

STATEMENT OF PARTICULARS (ITEM 4 AND 5)

(In pursuance of provisions of Schedule V of the Companies Act 2013)

I. General Information:

(1)	Nature of Industry	The Company is engaged in the manufacture and sale of Pig Iron, Ductile Iron Pipes and also Metallurgical Coke - an input material for Pig Iron, thus operates in the Iron and Steel industry, which is considered as core sector. The Company is also into Power generation.
(2)	Date or expected date of commencement of commercial production	The Company commenced commercial operations in the year 1994 and also commissioned Ductile Iron Pipe making facility on 01.04.2015.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	The Company is an existing Company.
(4)	Financial performance based on given indicators	₹ crores

	FY 2017-18	FY 2016-17
1) Gross Sales	248.73	1131.60
2) Operating Profit / (Loss) before finance cost and depreciation.	(115.27)	100.90
3) Profit/(loss)before tax.	(306.36)	(64.22)
4) Profit / (loss) after tax	(306.36)	(64.22)

(5)	Foreign investments or collaborations, if any	Foreign Institutional Investors hold 18.92% and foreign bodies corporate 10.96% and Promoters group 4.95% in the Paid-up capital of the Company. The Company has no collaborations.
II.	*Information about the appointees:*	
(1)	Background details	Shri A.S. Rao: Shri Rao is a Metallurgical Engineer by profession and holds a B. Tech (Hons.) Shri A.S. Rao is the Chief Promoter Director on the Board of the Company since inception. Shri Rao was also holding the office of the Managing Director of the Company during 1991-1999. Shri Rao has now successfully completed 18 years as Executive Vice Chairman of this Company. Dr. Shailendra Dasari: Dr. Shailendra has been associated with the Company for last three years in the capacity of Executive Director (Operations)prior to which as President for about six months in the Company overseeing the operations of the Company at Haresamudram Village, Bommanahal Mandal, Anantapuram District, Andhra Pradesh. Dr. Shailendra Dasari, B.Tech., PGDM (IIMA), Ph.D., is a Graduate in Electronics and Communication Engineering and holds a Master in Business Management from one of the premier management teaching institutions in India. He also holds a doctorate in Business Management. He has rich and varied industrial experience and also in Pipe manufacturing.
(2)	Past remuneration	Shri A.S. Rao: In terms of authorization accorded by the Members of the Company he was entitled to last salary of Rs.4.6 lakhs per month Plus other perquisites. His aggregate remuneration during the last financial year 2017-18 was at Rs.49.20 lakhs per annum which was within the limits laid down in Schedule V and Section 197 and other applicable provisions of the Companies Act 2013. Dr. Shailendra Dasari: Dr. Shailendra is getting re-appointed for second term. He is drawing a salary of Rs.3.00 lakhs per month plus perquisites. His aggregate remuneration during the last financial year 2017-18 was at Rs.51.60 lakhs per annum which was within the limits laid down in Schedule V and Section 197 and other applicable provisions of the Companies Act 2013.

(3)	Recognition and awards	Shri A.S. Rao: The appointee is well recognised in the Iron and Steel industry as a pioneer and trend setter. Dr. Shailendra Dasari: The appointee is recognised as a ranked professional in the industry and as a faculty in teaching profession.
(4)	Job profile and his suitability	Shri A.S. Rao: Shri A.S. Rao is an Engineer in Metallurgy by profession and holds an Hons in B. Tech. Shri A.S. Rao is the Chief Promoter Director on the Board of the Company since inception and is an accomplished professional with rich experience of over five decades in Iron and Steel industry. Shri Rao has now successfully completed 18 years as Executive Vice Chairman of this Company. He oversees day to day affairs of the Company. Shri A.S.Rao has extended his personal guarantees apart from pledging 1424000 equity shares held by him in the Company to the secured lenders who have extended term / corporate loans and working capital loans to the Company. Dr. Shailendra Dasari: Dr. Shailendra Dasari, B.Tech., PGDM(IIMA),Ph.D., is a Graduate in Electronics and Communication Engineering and holds a Master in Business Management from one of the premier management institutions in India. He also holds a doctorate in Business Management. He has rich and varied industrial experience of over 35 years and in particular Pipe manufacturing. He is responsible and incharge for operations of the Company at Haresamudram plant of the Company.
(5)	Remuneration Proposed	Shri A.S.Rao: As set out in the resolution Dr. Shailendra Dasari: As set out in the Resolution
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration proposed to the appointees is commensurate with responsibilities entrusted, their profile and position and well comparable on to a lower side in the industry and of similar sized companies in the industry.
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Shri A.S. Rao: Shri A.S. Rao, the appointee Director and Shri A. Naresh Kumar, Managing Director, being relative of Shri A. S. Rao are deemed to be interested or concerned in the Resolution. Shri A.S. Rao holds 1424000 Equity Shares in the Company. None of the other Directors on the Board, Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution. Dr. Shailendra Dasari: Dr. Shailendra Dasari has been associated with the Company for last three years in the capacity of Executive Director (Operations)prior to which as President for about six months in the Company and is deemed to be interested and concerned to the extent of remuneration drawn by him. None of the Directors on the Board, Key Managerial Personnel or their respective relatives is concerned or interested in the Resolution.
III.	*Other information:*	
(1)	Reasons of loss or inadequate profits	The performance during the year impacted adversely due to working capital constraints and consequent stress in the finances of the Company. The Company has requested the secured lenders for restructuring of the debt which is under process.
(2)	Steps taken or proposed to be taken for improvement	Company has implemented an Integrated Project involving forward and backward integration which has been commissioned and this is expected to improve the performance of the Company in the long term. The performance is expected to be normal once the restructuring of the debt as requested by the Company is in place from the secured lenders.
(3)	Expected increase in productivity and profits in measurable terms.	Productivity and Profitability is expected to improve as the operations are integrated and value addition is taking place within the Company once the restructuring of the debt as requested by the Company is in place from the secured lenders.

OTHER DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Shri A.S.Rao	Dr. Shailendra Dasari
DIN	00899415	07263439
Date of Birth	13.08.1942	04.11.1954
Date of Appointment	08.11.1989	01.10.2015
Qualifications	B. Tech (Hons)	B.Tech., PGDM(IIMA), Ph.D.
Expertise in specific functional areas	Over 50 years in Iron and Steel industry	Over 35 years in industry and 5 years as a faculty in teaching.
List of Companies in which outside directorship held as on 31st March, 2018.	1. Maruti Industries Limited 2. Vamsadhara Polymers Limited 3. Ganapati Adusumilli Fininvest private Limited	Nil
Chairman / Member of the Committees of the Board of the other Companies in which he is a Director as on 31st March, 2018.	Nil	Nil
No.Shares Held	1424000	Nil

By order of the Board

Hyderabad
Date: 14.08.2018
CIN:L27109TG1989PLC010654

(A. NARESH KUMAR)
MANAGING DIRECTOR
`(DIN:00112566)

Regd. Office: 314, Sri Ramakrishna Towers,
Nagarjuna Nagar, Hyderabad – 500 073