CIN : L27109TG1989PLC010654

SATHAVAHANA ISPAT LIMITED

Regd. Off. : 505, Block 1, Divyashakti Complex, Ameerpet, Hyderabad - 500 016.
Phone : 23730812,3,4 | E-mail : info@sathavahana.com
Web : www.sathavahana.com

January 08, 2022

To, BSE Limited, Corporate Relationship Department, P J Towers, New Trading Ring Rotunda Building, Dalal Street, MUMBAI – 400 001.	To, National Stock Exchange of India Limited, Listing Department, Regd. Office: "Exchange Plaza", Bandra Kurla Complex, MUMBAI -400 051.
SCRIP CODE: 526093	SCRIP CODE: SATHAISPAT

Dear Sir/Madam,

Sub: Notice of Reconvened 32nd Annual General Meeting(AGM) of SathavahanaIspat Limited.

Pursuant to Regulation 30 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, we here by enclose the notice of the Reconvened 32nd Annual General Meeting of the Company.

In this regard, please note that the 32nd AGM of the Company was originally convened on Tuesday, December 28, 2021 at 3:00 P.M and as per the Scrutinizer Report dated 29-12-2021, the Resolution for adoption of the Audited Accounts of the Company for the year ended 31stMarch, 2021 along with the Reports of Directors and the Auditors thereon was not passed with requisite majority.

In view of the same, the 32nd AGM is being reconvened to be held on Monday, January 31, 2022 at 3:00 p.m. through video conferencing (VC)/Other Audio-Visuals means (OVAM), to receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2021 along with the Reports of Directors and the Auditors thereon by the shareholders.

Kindly take the same on record.

This is for your information and records.

Thanking you,

ForSathavahanaIspat Limited

V.S.R.K HANUMAN

Chief Financial Officer

Works : (1) Haresamudram Village, Bommanahal Mandal, Anantapur Dist. (2) Kudithini Village, Kurugodu Road, Bellary Dist. Karnataka State
Bellary Office Phones : 242355, 242455, 242655

NOTICE OF THE RECONVENED 32ND ANNUAL GENERAL MEETING OF SATHAVAHANA ISPAT LIMITED.

NOTICE IS HEREBY GIVEN THAT THE RECONVENED 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF SATHAVAHANA ISPAT LIMITED will be held on Monday, January 31, 2022 at 3:00 p.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2021 along with the Reports of Directors and the Auditors thereon.

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 08.01.2022

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs has permitted the holding of the Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM), without the physical presence of the Members at a common venue, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.

4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate etc.

   in case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034, by enclosing a photocopy of blank cancelled cheque of your bank account.

5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. XL Softech Systems Limited, #3, sagar society, Road no. 2, Banjara Hills, Hyderabad-500034 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.

6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA / Company.

7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares

9. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

   Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7(seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

10. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.

11. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

12. In compliance with MCA Circulars and SEBI Circulars, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website at www.sathavahana.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at "http://www. evotingindia.com" www.evotingindia.com.

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice

Instructions for E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1 As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January 13, 2021 The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members

such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.sathavahana.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular no.02/2021 dated January 13, 2021.

INTSRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

(i) The voting period begins on Friday, 28th January, 2022 at 09.00 hrs and ends on Sunday, 30st January, 2022 at 17.00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 21st January, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Resolution professional has appointed D. Hanumanta Raju & Co, Practicing Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

(iii) Pursuant SEBI/HO/CFD/CMD/CIR/P/202 to SEBI Circular No. 0/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholder	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 18001020 990 and 1800224430

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in demat form

(vi) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

(vii) The shareholders should log on to the e-voting website www.evotingindia.com.

(viii) Click on "Shareholders" module.

(ix) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - My easi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(x) Next enter the Image Verification as displayed and Click on Login.

(xi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

	For Shareholders 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) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or Contact Company/RTA.
Dividend Bank Details OR Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both 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 (vi)

(xii) If you are a first time user follow the steps given below:

(xiii) After entering these details appropriately, click on "SUBMIT" tab.

(xiv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 also used by the demat holders

for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xvi) Click on the EVSN for the relevant Company, i.e., Sathavahana Ispat Limited on which you choose to vote.

(xvii) 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.

(xviii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xix) 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.

(xx) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xxi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xxii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xxiii) Shareholders can also cast their vote using CDSL's mobile app **"m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING ON THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to the Company Secretary at cs@sathavahana.com.

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL- 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to the Company Secretary at cs@sathavahana.com or to RTA at xlfield@gmail.com

3. The Secretarial Department shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER

1. Shareholder will be provided facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are advised to join the Meeting through Laptops / IPads for better experience.

3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from 22nd January, 2022 (9.00 a.m. IST) to 25th January, 2022 (5.00 p.m. IST), mentioning their name, demat account number/folio number; email id, mobile number at cs@sathavahana.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from 22nd January, 2022 (9.00 a.m. IST) to 25th January, 2022 (5.00 p.m. IST), mentioning their name, demat account number/folio number; email id, mobile number at cs@sathavahana.com. These queries will be replied suitably by the Company vide email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

5. 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 in the "Corporates" module.

6. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

7. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

8. 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.

9. 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.

10. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sathavahana.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General Instructions:

I. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on January 21, 2022.

II. The Scrutinizer, after scrutinising the votes cast through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman (Resolution Professional). The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.sathavahana.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

III. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 1:

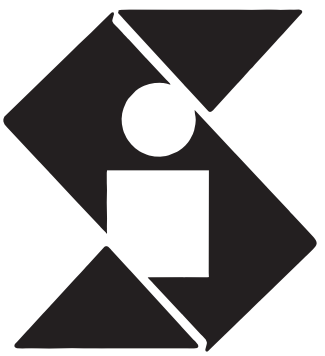
This is to inform you that the 32nd AGM of the Company was convened on Tuesday, December 28, 2021 at 3:00 p.m and as per the Scrutinizer Report dated 29-12-2021, the Resolution for adoption of the Audited Accounts of the Company for the year ended 31st March, 2021 along with the Reports of Directors and the Auditors thereon which was proposed in the original 32nd AGM was not passed with requisite majority. As per the provisions of sec 134 of the Company's Act, 2013 the annual audited Accounts of the company ought to be approved by the shareholders and filed with ROC. In view of the same, the 32nd AGM is being reconvened to be held on Monday, January 31, 2022 at 3:00 p.m. through video conferencing (VC)/Other Audio-Visuals means (OVAM), for obtaining the approval of members.

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 08.01.2022

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

SATHAVAHANA ISPAT LIMITED



32nd ANNUAL REPORT 2020-21

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AGM	:	32nd Annual General Meeting
Day and Date	:	Tuesday, December 28, 2021
Time	:	3.00 pm
Date of Book Closure		
I) Physical Mode	:	22.12.2021 to 28.12.2021 (Both days inclusive)
II) Electronic Mode	:	21.12.2021
III) Cut of Date / Record Date	:	21.12.2021
ISIN No.	:	INE176C01016
Listing		BSE Limited (BSE) (Scrip Code: 526093)
		NSE (Scrip Code: SATHAISPAT)

GENERAL CORPORATE INFORMATION

RESOLUTION PROFESSIONAL:	**BHUVAN MADAN** Resolution Professional in the matter of M/s. Sathavahana Ispat Limited (IBBI/IPA-001/IP-P01004/2017-2018/11655) Email id: madan.bhuvan@gmail.com
BOARD OF DIRECTORS:	
Shri K.Thanu Pillai	Chairman
Shri A.S.Rao	Executive Vice Chairman
Shri Syed Anis Hussain	Director
Shri S.N.Rao	Director
Shri A. Naresh Kumar	Managing Director
Smt. Latha Pamula	Director
Shri Kiran Kumar Yeda	Director
Shri Ramana Kumar Davuluri	Executive Director
KEY MANAGERIAL PERSONNEL:	
CHIEF FINANCIAL OFFICER	Shri V.S.R.K Hanuman
AUDITORS:	M/s. Majeti & Co., Chartered Accountants, Hyderabad
SECRETARIAL AUDITORS:	M/s D. Hanumanta Raju & Co., Company Secretaries, Hyderabad
COST AUDITORS:	M/s S. Nageshwara Rao & Co., Cost Accountants, Secunderabad
BANKERS:	Canara Bank State Bank of India Union Bank of India IFCI
REGISTERED OFFICE & SECRETARIAL DEPARTMENT	505, 5th Floor, Block - 1, Divyashakti Complex, Ameerpet, Hyderabad - 500 016, Telangana.
SHARE TRANSFER AGENTS:	M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034, Telangana.
PLANTS:	1. Haresamudram Village, Bommanahal Mandal, Anantapuram District, Andhra Pradesh. 2. Kudithini Village, Korugodu Road, Bellary District, Karnataka.

NOTICE OF 32nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of **SATHAVAHANA ISPAT LIMITED** will be held on Tuesday, December 28, 2021 at 3.00 p.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2021 along with the Reports of Directors and the Auditors thereon.

Special Business:

2. Ratification of the Remuneration to Cost Auditors.

   To consider and, if thought fit, to pass with or without modification(s), to pass the following as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of Audit Committee, the remuneration payable to M/s. Nageswara Rao & Co, Cost Accountants in practice (Registration No. 000332), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial year ended 31st March, 2022, amounting to Rs. 75,000/- (Rupees Seventy Five Thousand only)plus GST and reimbursement of out of pocket expenses be and is hereby ratified."

   "FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 29.11.2021

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs has permitted the holding of the Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM), without the physical presence of the Members at a common venue, in compliance with the provisions of the Companies Act, 2013,SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. Statements as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.

4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate etc.

   in case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034, by enclosing a photocopy of blank cancelled cheque of your bank account.

5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except incase of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. XL Softech Systems Limited, #3, sagar society, Road no. 2, Banjara Hills, Hyderabad-500034 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.

6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA / Company.

7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

9. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

   Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven

consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

10. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

11. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.

12. In compliance with MCA Circulars and SEBI Circulars, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website at www.sathavahana.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at “http://www.evotingindia.com” www.evotingindia.com.

    To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

13. The Register of Members and Transfer Books of the Company will be closed from Wednesday 22rd day of December 2021, to Tuesday 28th day of December, 2021 (both days inclusive) for the purpose of the 32nd AGM of the company.

14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

Instructions for E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1 As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 dated January 13, 2021 The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.sathavahana.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular no.02/2021 dated January 13, 2021.

INTSRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

(i) The voting period begins on Saturday, 25th December, 2021 at 09.00 hrs and ends on Monday, 27th December, 2021 at 17.00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 21st December, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Resolution professional has appointed D. Hanumanta Raju & Co, Practicing Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing

Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

(iii) Pursuant SEBI/HO/CFD/CMD/CIR/P/202 to SEBI Circular No. 0/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in Demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in demat form

(vi) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

(vii) The shareholders should log on to the e-voting website www.evotingindia.com.

(viii) Click on "Shareholders" module.

(ix) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - My easi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(x) Next enter the Image Verification as displayed and Click on Login.

(xi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

	For Shareholders 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth(DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both 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 (vi)

(xii) If you are a first time user follow the steps given below:

(xiii) After entering these details appropriately, click on "SUBMIT" tab.

(xiv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xvi) Click on the EVSN for the relevant Company, i.e., Sathavahana Ispat Limited on which you choose to vote.

(xvii) 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.

(xviii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xix) 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.

(xx) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xxi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xxii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xxiii) Shareholders can also cast their vote using CDSL's mobile app **"m-Voting"**. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING ON THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to the Company Secretary at cs@sathavahana.com.
2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to the Company Secretary at cs@sathavahana.com
3. The Secretarial Department shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER

1. Shareholder will be provided facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are advised to join the Meeting through Laptops / IPads for better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from 20th December, 2021 (9.00 a.m. IST) to 24th December, 2021 (5.00 p.m. IST), mentioning their name, demat account number/folio

number; email id, mobile number at cs@sathavahana.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from 20th December, 2021 (9.00 a.m. IST) to 24th December, 2021 (5.00 p.m. IST), mentioning their name, demat account number/folio number; email id, mobile number at cs@sathavahana.com. These queries will be replied suitably by the Company vide email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on www.evotingindia.com and register themselves in the “Corporates” module.
6. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
7. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
8. 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.
9. 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.
10. Alternatively, non individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sathavahana.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send anemail to helpdesk.evoting @cdslindia.com or call 1800225533.

General Instructions:

I. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on December 21, 2021.

II. The Scrutinizer, after scrutinising the votes cast through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman(Resolution Professional). The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.sathavahana.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

III. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY/ SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2

Pursuant to the recommendation of the Audit Committee, the Board of Directors, at its Meeting held on 11th June2021, approved the re-appointment of M/s. Nageswara Rao & Co, Cost Accountants in practice (Registration No. 000332), as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial year ended 31st March, 2022, at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) plus GST and reimbursement of out of pocket expenses.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2022.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 2 of the Notice.

The Resolution professional, in the interest of the Company, recommends the Ordinary Resolution set out at Item no.2 of the Notice for approval by the shareholders.

For Sathavahana Ispat Limited

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

Place: Hyderabad
Date: 29.11.2021

DIRECTORS' REPORT

To

The Members,

SATHAVAHANA ISPAT LIMITED,

The Resolution Professional presents to the Members the 32nd Annual Report of the Company for the year ended 31st March, 2021, which includes the Directors' Report ("Annual Report").

FINANCIAL RESULTS:

Your Board of Directors report the following financial results for the year 2020-21:

(Rupees in Lakhs)

Sl.No	Particulars	Year ended 31-03-2021	Year ended 31.03.2020
1	Gross revenue from operations	2676.09	27289.63
2	Other income	1063.89	915.92
3	Operating profit/ (loss) Before finance costs and depreciation	(1310.56)	(8332.91)
4	Finance costs	28123.17	19177.73
5	Depreciation and amortization	4230.53	4481.39
6	Profit / (loss) before tax	(32600.37)	(31076.10)
7	Exceptional Item	0	0
8	Tax expense	0	0
9	Net Profit / (loss) after tax	(32600.37)	(31076.10)
10	Earnings /(loss)per Equity Share-Basic	(64.05)	(61.05)
11	Earnings/(loss)per Equity Share-Diluted	(64.05)	(61.05)

The performance during the year was impacted adversely due to factors beyond the control of the Company. The performance suffered due to working capital constraints and the consequent financial stress which resulted in underutilization of capacities.

The gross revenue of Rs. 2676.09 Lacs is lower as compared to previous year's revenue of Rs. 27289.63 Lacs. The year ended with loss before tax of Rs. 32600.37 Lacs as against loss before tax of Rs. 31076.10 Lacs in the previous year. During the year, in the absence of reasonable certainty deferred tax asset on account of unabsorbed depreciation and business loss and others amounting to Rs. 13225.16 Lacs as against previous year's amount of Rs. 11843.44 Lacs has been recognized to the extent it can be realised fully against deferred tax liability. Accordingly, the tax impact is nil in both current and previous years. The year ended with net loss after tax of Rs. 32600.37 as against net loss after tax of Rs. 31076.10 in the year before. Accordingly, the loss per share accounted for at Rs. 64.05 as compared to loss per share of Rs. 61.05 in the previous year.

INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

National Company Law Tribunal (NCLT) has initiated Corporate Insolvency Resolution Process (CIRP) in respect of Sathavahana Ispat Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 28th July, 2021.

In this connection, Mr. Golla RamaKantha Rao (IP Registration No. IBBI/IPA-003/IP-N000310/2020-21/13364) has been appointed as an Interim Resolution Professional (IRP) to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

The Committee of Creditors ('COC') in its first meeting held on 31/08/2021 appointed Mr. Bhuvan Madan (IBBI/IPA-001/IP-P01004/2017-2018/11655)as Resolution Professional (RP) pursuant to an order of the Honorable National Company Law Tribunal; Hyderabad Bench ('NCLT') dated 08th September, 2021 to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

During this period, the NCLT has prescribed moratorium period for prohibiting all of the following namely:

I. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority.

II. Transferring, encumbering, alienating, or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein.

III. Any action to foreclose recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the securitization and reconstruction of financial assets and enforcement of security interest act, 2002.

IV. The recovery of any property by owner or lessor where such property is occupied by or in the possession of the corporate debtor.

As per Section 17 of the Insolvency and Bankruptcy Code from the date of appointment of the interim Resolution Professional –

a) the management affairs of the company shall vest in the resolution professional.

b) the power of the board of directors company shall stand suspended and be exercised by the Resolution Professional.

c) the officers and managers of the company shall report to the resolution professional and provide access to such documents and records of the company as may be required by the interim resolution professional.

d) the financial institutions maintaining accounts of the company shall act on the instructions of the interim resolution professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business during the Financial Year 2020-21

DIVIDEND AND GENERAL RESERVE:

Your Company has not recommended any dividend for the year 2020-21 due to loss incurred during the year and carry forward loss from earlier years. Company cannot declare dividend until the carry forward loss is fully set off against the profits as provided in the Companies Act, 2013.

Your Company also has not proposed to transfer any amount to General Reserve in view of the carry forward loss.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act 2013 with respect to Directors' Responsibility Statement, your Directors hereby state and confirm that:

I) In the preparation of Annual Accounts for the Financial Year 2020-21 the applicable Indian Accounting Standards (Ind-As) had been followed with proper explanation relating to material departures;

ii) The Accounting Policies selected were applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of the Loss of the Company for the year ended on that date;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Annual Accounts have been prepared on a going concern basis;

v) Internal financial controls to be followed by the Company have been laid down and that such Internal Financial Controls are adequate and were operating effectively; and

vi) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of the Act, applicable Rules framed the reunder read with the listing regulations. The primary objective of the committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting.

Committee comprises of Chairman - Shri K. Thanu Pillai, Independent Director and two other Independent Director members -Shri Syed Anis Hussain, and Shri S.N.Rao. The Committee met 4(four) times during the year. Details of terms of reference of the Committee, number and dates of meetings held and attendance of Members during the year are part of the Corporate Governance Report.

The Committee met 4(four) times during the year. Details of terms of reference of the Committee, number and dates of meetings held and attendance of Members during the year are part of the Corporate Governance Report.

The Audit Committee at its meeting held on 30th June 2021 has considered and approved the Audited Accounts of the Company for the financial year ended 31st March 2021.

CORPORATE GOVERNANCE:

Pursuant to Listing Regulations 2015 the Company is required to comply with the Code of Corporate Governance for the financial year under review. Accordingly, the Reports on Corporate Governance and Management Discussion and Analysis together with Auditors' Report on compliance of Code of Corporate Governance are attached to this Report and forms part of the Annual Report. These Reports are to be read in conjunction with this Directors' Report.

Policy on selection and appointment of Directors, Composition and category of Directors, attendance of each Director at meetings, Number of other Directorships held by each Director, Number of Board meetings held and dates on which held, Board meetings process, familiarisation programme of each Independent Directors, Board's evaluation process are discussed in the Report on Corporate Governance which forms part of this Report.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Board of Directors confirms that based on the declarations given by all the Independent Directors in pursuance of provisions of Section 149(7) of the Companies Act 2013, all the independent Directors meet the criteria of independence as provided in Section 149(6) of the Companies Act 2013.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

During the year Smt. G. Pushkarini, has been appointed as Company Secretary & Compliance officer of your Company w.e.f 13th May 2020 and she has resigned her position Company secretary & Compliance officer of the Company resigned w.e.f 01st April, 2021.

Except for the above there have been no changes in the office of directors or key managerial personnel during the year.

MEETINGS:

During the year, five meetings of Board of Directors were held as more particularly disclosed in the attached report of Corporate Governance. The intervening gap between any two meetings was within the prescribed period.

The Number and dates of meeting held by the Board and its Committees, attendance of Directors is given separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Shareholders Grievance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

AUDITORS AND AUDIT REPORT:

The tenor of present Auditors M/s. Majeti & Co., Chartered Accountants, Hyderabad has been fixed for period of five years at the Annual General Meeting held on 29.09.2017 subject to ratification of appointment at every subsequent Annual General Meeting. However the Ministry of Corporate Affairs, Government of India, has vide Companies (Amendment) Act 2017 notified vide notification dated 07.05.2018 that such ratification of appointment of statutory auditors is not required at the subsequent Annual General Meetings which in other words means that appointment made initially continues to be effective until the expiry of five years from the date of their appointment. Accordingly no ratifications of appointment of statutory auditors is proposed in the ensuing Annual General Meeting.

With respect to the Independent Auditors' Report for the year ended 31st March 2021 which forms part of the Annual Report containing emphasis of matters and qualifications your Board of Directors state that the management replies to the same areas under:

1. With respect to emphasis matter the explanation contained in Note No.33 to the financial statements is self-explanatory and the opinion of the Auditors is unmodified in respect of this matter.
2. With respect to Qualification on Trade receivables, supplier advances and capital advances as at March 31, 2021 the explanation contained in Note No.36 to the financial statements is self-explanatory and does not require further explanations
3. With Respect to Statutory dues, statutory dues related to Income tax, Employee's provident fund, Employee state insurance act, Gratuity and professional tax, amounting to Rs. 11,05,80,126/- have become overdue and remain unpaid, the same is due to the cash crunch and tight working capital constraints, the management is working closely with the concerned authorities and will clear the dues based on the available cash flows.
4. With respect to Qualification on Advance from customer contained in Note No. 38 to the financial statements is self explanatory and does not require further explanations.
5. With respect to Qualification on Non movement of inventories the explanation contained in Note No. 39 to the financial statements is self explanatory and does not require further explanations.
6. With respect to Qualification on overdue foreign currency payable to as company facing financial difficultyit's pending for long on improving company financial stability we make the payment to supplier.
7. With respect to emphasis matter the explanation contained in Note No. 41 to the financial statements is self explanatory and does not require further explanations.

The Independent Auditors' Report for the financial year ended 31st March 2021 which forms part of the Annual Report do not require any further explanations from the Board.

COST AUDITORS AND COST AUDIT REPORT:

Company appointed M/s. Nageswara Rao & Co, Hyderabad, Practicing Cost Accountants (Firm's Registration Number 000332), as Cost Auditors for the financial year 2020-21.

The Board of Directors based on the recommendations of the Audit Committee, has appointed M/s. Nageswara Rao & Co, Practicing Cost Accountants (Firm's Registration Number : 000332) as Cost Auditors for conducting Cost Audit of the Cost Records of the Company for the year 2020-21.

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 the Cost Audit for the year ending 31st March 2022 to M/s. Nageswara Rao & Co, Practicing Cost Accountants is being placed before the Members in the ensuing Annual General Meeting for their ratification and approval.

INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee have appointed ASK & CO, Chartered Accountants, as internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad who have been appointed as Secretarial Auditor for the financial year 2020-21 have conducted the Audit of the Secretarial Records and submitted their Report in MR-3 which is annexed to this Report (Annexure-IV).

The Secretarial Audit Report for the financial year ended 31st March 2021, contains the following observations.

1. There was no Company Secretary in the Company for more than six months as required under Section 203 of Companies Act, 2013 read with Rule 8 of Chapter XIII of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 (1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; However, the Company has appointed a Company Secretary on 13.05.2020.

Reply : The Company is undergoing severe financial stress with subdued operations. In spite of best efforts by the Company, prospective Company Secretaries have refused the Offer of the Company for the post of CS and Compliance officer. Hence there was a delay beyond 6 Months.

2. The Company is yet to file Form IEPF-4 for statement of transfer of shares in respect of Unclaimed dividend for seven years to IEPF authority as required under Section 124 (6) of Companies Act, 2013.

Reply : The Company has already transferred the shares to IEPF Authority. However due to technical reasons the Company is unable to file e Form IEPF-4.

3. The Company has not taken prior approval of the secured creditors for payment of remuneration to key managerial personnel as required under Part II of Schedule V of the Companies Act, 2013.

Reply : The Company has missed to take the approval of the Secured Creditor by oversight. Currently the Board of Directors is suspended by virtue of the order passed by the Hon'ble NCLT under Section 9 of the IBC Code.

4. The Company has not disclosed to the Stock Exchanges about the details of default on payment of interest / instalment obligations on loans from Banks/Financial Institutions for the Quarters ended 31.03.2020 and 30.06.2020 and delayed by 7 days in disclosing to the Stock Exchanges for the Quarter ended 30.09.2020.

Reply : The non-disclosure is by oversight as there was no Company Secretary and Compliance officer during the period of default. Later on the Company has complied with disclosure upon getting knowledge of pending Compliance.

5) The Company has taken advances from customers which were outstanding for more than one year in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as

deposits and hence the company is in violation of the same and the same is also not filed in Form DPT-3.

Reply: These advances are from parties whose address and contact details are not traceable. Moreover the amounts also pertain to those vendors with whom the Company has sought one time settlement due to non-performance of service / defect in goods supplied.

TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS TO IEPF:

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 and / or Section 124(5) of the Companies Act 2013, previously declared dividends, which remained unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956 and / or Section 125 of the Companies Act, 2013.

DIRECTORS, EMPLOYEES AND THEIR REMUNERATION:

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act 2013 read with sub rule (2) to Rule 5 to the Companies (Appointment & Remuneration) Rules, 2014, as amended, are not required to be provided as there were no employees drawing remuneration more than the stipulated limits. Details of Remuneration Policy and payment of remuneration to all Directors / Key Managerial Personnel / other managerial employees is given in the Report on Corporate Governance under the head Nomination and Remuneration Committee which forms part of this Report. Managing Director and other Whole Time Directors have not received any remuneration or commission from holding or subsidiary companies as the Company do not have such companies. In the opinion of the Board the level and composition of remuneration to Directors, Key Managerial Personnel and other managerial employees is reasonable and sufficient to attract, retain and motivate the people who could run the Company efficiently.

The Board affirms that the remuneration paid is in accordance with Remuneration Policy of the Company. The copy of Nomination and Remuneration policy is also posted in the investors section of the company's website www.sathavahana.com. The relationship between performance and remuneration is clear and meets appropriate benchmarks and that the remuneration criteria succinctly balances between fixed and variable pay wherever set reflecting short and long term performance objectives appropriate to the working of the Company and its goals. Disclosures required to be made pursuant to Rule 5 to the Companies (Appointment & Remuneration) Rules, 2014 are attached to this report (Annexure-II).

DEMATERIALISATION OF EQUITY SHARES:

The Agreements entered into by the Company with the two Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of Shares are in force and the Company's Shares are in dematerialised mode under ISIN No. INE176C01016. The Securities and Exchange of India (SEBI) in its circular dated 20.04.2018 has stated that the equity shares have to compulsorily convert into dematerialization before 5th December 2018 the same was further extended to 1st April 2019. and thereafter dematerialized equity shares are only eligible for transfers with the exception of transmissions. In view of the significant benefits that accrue on dematerialisation of securities, Members may avail the facility.

LISTING OF SHARES ON STOCK EXCHANGES:

The Equity Shares of the Company are listed on BSE Ltd (formerly The Bombay Stock Exchange Limited) Scrip Code:526093 and The National Stock Exchange of India Limited (NSE) Scrip Code: SATHAISPAT.

The listing fee to above Stock Exchanges has not paid in financial year 2021-22.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information on conservation of energy, technology absorption, foreign exchange earnings and out go required to be disclosed under Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules 2014, is given in the Annexure forming part of this Report (Annexure-I).

DEPOSITS:

Your Company has not accepted any fixed deposits nor does the Company have any outstanding deposits under section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 as on the date of Balance Sheet.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY:

The Board engaged it self with the task of Risk Management by preparing, implementing and monitoring the risk management plan of the Company. The Board apart from ensuring the effectiveness of risk management covering internal financial risks and controls also reviews the same on regular basis. Major risks identified are monitored on a regular basis by the Board.

INTERNAL FINANCIAL CONTROL AND SYSTEMS AND THEIR ADEQUACY:

The Company has put in place Internal Financial Controls that will ensure the policies and procedures of the Company are followed regularly so that the business of the Company is conducted in orderly and efficient manner. The Internal Financial Controls are applied inter alia to test various aspects in the conduct of business including adherence to Company's policies, safeguarding Company's assets, prevention and detection offrauds and errors or irregularities, the accuracy and completeness of the accounting records and timely preparation of reliable financial information and the financial statements. In the opinion of the Board such Internal Financial Controls are adequate and were operating effectively. During the year such Internal Financial Controls have been tested and no reportable weaknesses in the design and operations were observed. With respect to the Independent Auditors' Report for the year ended 31st March 2021 which forms part of the Annual Report containing qualification on the Internal Financial Controls your Board of Directors state that the management replies to the same are contained in Note No.36 to the financial statements which is self-explanatory.

RELATED PARTY TRANSACTIONS:

In Compliance with the provision of the Act and the Listing Regulations, each Related party transaction is placed before the Audit Committee for prior approval/noting.

There are no material related party transactions entered into by the Company falling within the meaning of Section 188(1) of the Companies Act 2013. Other related party transactions, contracts or arrangements entered into by the Company are in the ordinary course of business and at arm's length price. The details of these contracts or arrangements or transactions as required to be disclosed in terms of Section 134(3)(h)are provided in Form AOC-2 which forms part of this Report (Annexure-III) and accompanying Financial Statements.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not granted loans, guarantees or made investments in or to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act 2013. The Company has not extended any loans to the employees for purchase of its shares. Other investments made by the Company are given in the accompanying Financial Statements which are in the ordinary course of business.

CORPORATE SOCIAL RESPONSIBILITY:

The details with respect to Corporate Social Responsibility of the Company as required to be disclosed in termsof provisions of Section 135 read with Section 134(3) (o) and Rule 9 of Companies (Accounts) Rules 2014 aregiven in the Report on Corporate Governance attached to and forming part of this Report. During the year the Company, in terms of provisions of sub section 5 to Section 135 of the Companies Act 2013, is not required to ear mark any fund for Corporate Social Responsibility activities in view of the losses.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has well-defined Vigil Mechanism policy in place to provide a formal mechanism for all Directors, employees, business associates and vendors of the Company to approach Chairman of the Audit Committee.

During the year under review, none of the Directors/employees/ business associates / vendors was denied access to Chairman of Audit Committee.

REPORTING OF FRAUD:

The auditors of the Company have not reported any fraud as specified under section 143(12) of the Act.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has zero tolerance towards sexual harassment at the workplace. It has well defined policy incompliance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. An internal Committee is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy. The Company has not received any compliant of sexual harassment during the F.Y. 2020-2021.

MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of Sathavahana Ispat Limited stands suspended and the same are being exercised by Mr. Bhuvan Madan. The management of the affairs of Sathavahana Ispat Limited has been vested with Mr. Bhuvan Madan.

Except for the above mentioned, there are no other material changes and commitments affecting the financial position of the company occurred between the end of financial year of the company to which the financial statements relate and the date of the report.

ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS:

The application filed by the M/s. Thirumala Logistics against the company under Sec. 9 of The Insolvency Bankruptcy Code 2016, has been approved by the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 28th July, 2021. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed.

Consequent to an order of the Honourable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 28th July, 2021, the Company is currently under Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Sathavahana Ispat Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Bhuvan Madan, Resolution Professional.

Further there are no other significant material orders passed by the Regulators which would impact the going concern status of the Company and its future operations.

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

Your Company does not have any Subsidiaries or Associates or Joint ventures.

ACKNOWLEDGMENTS:

Your Company take this opportunity to express their grateful thanks to Canara Bank, State Bank of India (formerly State Bank of Hyderabad), Union Bank of India, Shareholders, Central and State Governments and valued suppliers and customers for their co-operation and support. The Company also places on record its appreciation of the valuable services rendered by the employees at all levels of the Company.

For Sathavahana Ispat Limited

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

Place: Hyderabad
Date: 29.11.2021

ANNEXURE-I TO DIRECTORS' REPORT

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as below.

A. CONSERVATION OF ENERGY:

i. The steps taken or impact on conservation of energy:

The operations of the Company are not power intensive. However it is very careful in using the power to reduce the cost of maintenance and conserve the resources.

ii. Steps taken by the Company for utilizing alternate sources of energy:

The company has setup captive power generation plant. There are no requirements for utilizing of alternate sources of energy.

iii. The capital investment on energy conservation equipments:

The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

B. TECHNOLOGY ABSORPTION:

(i)	The efforts made towards technology absorption	:	NIL
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	:	NIL
(iii)	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished	:	
	(a) The details of technology imported	:	No technology imported during the last 3 years
	(b) The year of import	:	NA
	(c) Whether the technology been fully absorbed	:	NA
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	NA
(iv)	The expenditure incurred on Research and Development	:	NIL

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earnings and outgo: (on receipts and payments basis)

(Rs. In Lacs)

Particulars	2020-21	2019-20
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

For Sathavahana Ispat Limited

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

Place: Hyderabad
Date: 29.11.2021

ANNEXURE-II

Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2020-21.

S.No	Name of Director/ KMP and Designation	Remuneration of Director KMP for the Financial year 2020-21	% increase in Remuneration in the Financial year 2020-21	Ratio of the remuneration of each Director to the Median remuneration of the employee
1	A. Naresh Kumar (Managing Director)	60,00,000	Nil	37.50
2	A.S. Rao (Executive Vice Chairman)	59,40,000	Nil	37.12
3	Ramana Kumar Davuluri (Director Operations)	27,41,172	Nil	17.13
4	VSRK Hanuman (Chief Financial Officer)	19,22,800	Nil	12.01

ii) **The median remuneration of employees' of the Company during the financial year:** The median remuneration of employees' of the Company during the financial year wasRs. 1,60,000/- p.a

iii) **The percentage increase in the median remuneration of employees in the financial year:** The percentage increase in the median remuneration of employees in the financial year ending March 31, 2021 was 30.62

iv) **The number of permanent employees on the rolls of Company as at March 31, 2021:** There were 149 permanent employees on the rolls of Company as on 31st March, 2021

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 10.66%

There are no other employees drawing Rs. 8.50 Lacs per month or Rs. 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.

There are no employees in the service of the Company covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.

Company affirm that the remuneration is as per the remuneration policy of the Company.

vi) The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act 2013 read with sub rule (2) to Rule 5 to the Companies (Appointment & Remuneration) Rules, 2014, as amended policy available in the investors section of the company's website www.sathavahana.com.

For Sathavahana Ispat Limited

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

Place: Hyderabad
Date: 29.11.2021

ANNEXURE-III TO DIRECTORS' REPORT

FORM NO. AOC-2

Particulars of Contracts / Arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1 There are no contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at arms' length basis.

2. Contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which were at arm's length basis and in normal course of business:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount in Rs.
Shri A. Naresh Kumar (Managing Director, son of A.S. Rao Executive Director)	Lease Rent	ongoing	N.A	18.07.2020	Rs.5,83,200/-
A, Ashok Kumar, brother of A .Naresh Kumar(M.D)	Lease Rent	ongoing	N.A	18.07.2020	Rs.5,37,680/-
Mutya Bai, mother of A. Naresh Kumar(M.D)	Lease Rent	ongoing	N.A	18.07.2020	Rs.8,86,800/-

For Sathavahana Ispat Limited

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

Place: Hyderabad
Date: 29.11.2021

ANNEXURE-IV TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SATHAVAHANA ISPAT LTD

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SATHAVAHANA ISPAT LTD** having CIN: L27109TG1989 PLC010654 and having its registered office at Flat 505, 5th Floor, Block -1, Divyashakti Complex, Ameerpet, Hyderabad, Telangana - 500 016 (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

On account of COVID - 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us via e-mail and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the listed entity during the period under review)**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the period of audit)**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the period of audit)**

h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the listed entity during the period under review)**

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

j. Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the listed entity during the period under review)**

k. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. Other Laws specifically applicable to the company include:

i. Electricity Act, 2003
ii. The Karnataka Electricity (Taxation on Consumption) Act, 1959
iii. The Boilers Act, 1923
iv. The Contract Labour (Regulation And Abolition) Act, 1970
v. Mines and Minerals (Development and Regulations) Act, 1957
vi. The Bureau of Indian Standards Act, 1986
vii. Andhra Pradesh Electricity Duty Act, 1939
viii. The Karnataka Forest Act, 1963

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except the following:

a. There was no Company Secretary in the Company for more than six months as required under Section 203 of Companies Act, 2013 read with Rule 8 of Chapter XIII of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 (1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; However, the Company has appointed a Company Secretary on 13.05.2020.

b. The Company is yet to file Form IEPF-4 for statement of transfer of shares in respect of Un-claimed dividend for seven years to IEPF authority as required under Section 124 (6) of Companies Act, 2013.

c. The Company has not taken prior approval of the secured creditors for payment of remuneration to key managerial personnel as required under Part II of Schedule V of the Companies Act, 2013.

d. The Company has not disclosed to the Stock Exchanges about the details of default on payment of interest / instalment obligations on loans from Banks/Financial Institutions for the Quarters ended 31.03.2020 and 30.06.2020 and delayed by 7 days in disclosing to the Stock Exchanges for the Quarter ended 30.09.2020.

e. The Company has taken advances from customers which were outstanding for more than one year in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the company is in violation of the same and the same is also not filed in Form DPT-3.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review:

1. The Company has not deposited Substantial Amount of Statutory dues related to Income tax, Employees Provident Fund, Employees State Insurance Act, Gratuity, and Professional tax, which has become overdue and remained unpaid as on the event date.

2. During the period under review, Operational Creditor has filed a petition against the Company for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its order dated 28th July, 2021 declaring moratorium inter- alia for recovery proceedings against the Company. The order of moratorium shall have effect from 28th July, 2021 in accordance with Section 31 (1) of the Insolvency and Bankruptcy Code, 2016 ('the Code"). Further, pursuant to the order of "NCLT", Committee of Creditors ("CoC") was formed and First "CoC" meeting was held on 31st August, 2021 and appointed Mr. Bhuvan Madan as Resolution Professional in place of Mr. Golla Ramakantha Rao. The same has been approved by "NCLT" by passing an order dated 8th September, 2021.

For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122C001356943

Place: Hyderabad
Date: 02.11.2021

This report is to be read with our letter of even date which is annexed as **'Annexure A'** and forms an integral part of this report.

'Annexure A'

To,
The Members,
SATHAVAHANA ISPAT LIMITED

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES

Place: Hyderabad
Date: 02.11.2021

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122C001356943

SECRETARIAL COMPLIANCE REPORT OF SATHAVAHANA ISPAT LTD FOR THE YEAR ENDED 31.03.2021

We, D.Hanumanta Raju & Co, Company Secretaries, having our office at B-13, F-1, P.S. Nagar, Vijayanagar Colony, Hyderabad – 500 057 have examined

1. all the documents and records made available to us electronically due to Covid-19 pandemic and explanations, information and clarifications provided by **SATHAVAHANA ISPAT LTD (CIN: L27109TG 1989PLC010654),** ("the Listed Entity"),

2. the filings/ submissions made by the Listed Entity to the stock exchanges,

3. website of the Listed Entity,

4. declaration received from the listed entity on Annual Compliance for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

   (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

   (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the listed entity during the period under review)

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the listed entity during the period under review)

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the listed entity during the period under review)

g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the listed entity during the period under review)

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

I) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with the client;

j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued there under; and based on the above examination, we hereby report that, during the Review Period:

(a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/Circulars/guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Appointment of a Qualified Company Secretary as a compliance officer as per Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in Appointment	Listed Entity has delayed by 7 days in Appointment/filling of office of Qualified Company Secretary as a Compliance officer.
2.	Disclosures on defaults on payment of interest/ repayment of Principal amount on loans from Banks/Financial Institutions as required under circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21.11.2019	Non- Intimation/ Delay in Intimation	Listed Entity has not disclosed to the Stock Exchanges about the details of default on payment of interest / instalment obligations on loans from Banks/Financial Institutions for the Quarters ended 31.03.2020 and 30.06.2020 and delayed by 7 days in disclosing to the Stock Exchanges for the Quarter ended 30.09.2020

(b) The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.

(c) The following are the details of actions taken against the Listed Entity/ its promoters/ directors either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Limited	Regulation 6(1) - Non Compliance with the appointment of a Qualified Company Secretary as the Compliance Officer	Fine of Rs. 7,080/- including GST	Due to the resignation of Company Secretary and Compliance officer of the Company w.e.f. 07.11.2019, there was a vacancy in the office of KMP which was to be filled within 6 Months. It has been observed that Listed Entity has delayed by 7 days in appointing Qualified Company Secretary as a Compliance Officer.
2.	National Stock Exchange of India Limited	Regulation 6(1) - Non Compliance with the appointment of a Qualified Company Secretary as the Compliance Officer	Fine of Rs. 7,080/- including GST	However, Listed Entity in its Board Meeting held on 13.05.2020 appointed Mrs. G. Pushkarini as Company Secretary and Compliance officer of the Company and complied with the said Regulation. Listed entity has received notice for non-compliance from BSE Limited and National Stock Exchange of India Limited levying penalty of Rs.7080/- each and the same has been paid.

(d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the Secretarial Compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on actions taken by the listed entity
1.	It was observed that Listed Entity has delayed by 3 days in intimating to Stock Exchanges regarding closure of trading window of designated person for the quarter ended 30.06.2019.	31st March, 2020	It was done inadvertently and the listed entity has ensured that, there will not be any such delays in future.	During the current period under review the Listed entity is in compliance with the said Regulation.
2.	It was observed that Listed Entity has delayed by 20 days in submitting the disclosures of related party transactions on a consolidated basis to Stock Exchanges for the half year ended 30.09.2019.	31st March, 2020	It was done inadvertently and the listed entity has ensured that, there will not be any such delays in future.	During the current period under review the Listed entity is in compliance with the said Regulation.
3.	It was observed that Listed Entity has delayed by 37 days in disclosing to the Stock Exchange about the details of default on payment of interest / instalment obligations on loans from Banks/Financial Institutions.	31st March, 2020	It was done inadvertently and the listed entity has ensured that, there will not be any such delays in future.	During the current period under review also the Listed Entity has not intimated to the Stock Exchange about the details of default on payment of interest / instalment obligations on loans from Banks/Financial Institutions for Quarter ended 31.03.2020 and 30.06.2020 and delayed by 7 days in disclosing to the Stock Exchange for the Quarter ended 30.09.2020.

(e) The Listed entity has complied with Clause 6(A) and 6(B) of SEBI circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122C000546738

Place: Hyderabad
Date: 30.06.2021

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Part C of schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Directors present the Company's report on Corporate Governance for the year ended 31st March, 2021.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance is more than a set of processes and compliance at Sathavahana Ispat Limited. It underlines the role that we see for ourselves for today, tomorrow and beyond.

Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed. Therefore, situation, performance, ownership and governance of the Company are equally important with respect to the structure, activities and policies of the organization. Consequently, the organization is able to attract investors and enhance the trust and confidence of the stakeholders.

Sathavahana Ispat Limited's ("Sathavahana / the Company") compliance with the Corporate Governance guidelines as stipulated by the stock exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] is described in this section. The Company believes that sound Corporate Governance is critical to enhance and retain investor's trust. Sathavahana respects minority rights in its business decisions.

The Company's Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law.
- Be transparent and maintain high degree of disclosure levels.
- Communicate externally, in a truthful manner, about how the Company is run internally.

Sathavahana is committed to good Corporate Governance practices. Consistent with this commitment, Sathavahana seeks to achieve a high level of responsibility and accountability in its internal systems and policies. Sathavahana respects the inalienable rights of the shareholders to information on the performance of the Company. The Company ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants' viz., customers, employees, investors, regulatory bodies etc.

All details mentioned in this Report are as at 31st March, 2021. Material changes and events between the end of the financial year and date of the report are provided where ever required.

The Company has professionals on its Board of Directors who are actively involved in the deliberation of the Board. However, the Company was admitted into Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT) vide order dated July 28, 2021 under Section 31(1) of the Insolvency and Bankruptcy Code, 2016 and the powers of the existing Board of Directors of the Company are suspended from the date of the order as per Section 17 of the IBC and vested with Resolution Professional. Further, pursuant to the order of NCLT, committee of creditors ("CoC") were formed and First COC meeting was held on August 31, 2021 and appointed Mr. Bhuvan Madan as Resolution Professional in place of Mr. Golla Ramakantha Rao. The same has been confirmed by the NCLT. Since the Powers of the Board of Directors are vested with the Resolution Professional the management of the affairs of the Company will be under the overall control, supervision and guidance of the Resolution professional from the date of the order till the completion of Corporate Insolvency Resolution Process. The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional. The Status of the Board of Directors and Committees are as on the date of the NCLT order.

As per Securities and Exchange Board of India Notification dated 31st May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as

Specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

2. BOARD OF DIRECTORS:

A report on Corporate Governance is set out in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Collectively referred as SEBI (LODR) Regulations)

The Board of Directors as on 31st March, 2021 consists of Eight Directors of which three are Executive and five are Non-executive Directors and among these two are Promoter Directors; One Executive Director and five are Independent Directors. The Independent Directors constitute 62.50% of the Board's strength. Again, Non-executive Directors constitute 62.50% of the board's strength. The Chairman of the Board is Non-executive, Independent Director.

- Composition and category of Directors is as follows:

Category	Name of the Director
1. Executive Directors	
a) Promoters	1. SHIVAJI RAO ADUSUMILLI
	2. NARESH KUMAR ADUSUMILLI
b) Non Promoters	3. RAMANA KUMAR DAVULURI
2. Non Executive Directors	
a) Independent Directors	1. THANU KOLAPPA PILLAI
	2. SYED ANIS HUSSAIN
	3. SRINIVAS NARAYANA RAO
	4. LATHA PAMULA
	5. KIRAN KUMAR YEDA

Non-Executive Directors are Independent Directors within the meaning of Section 2 read with Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as provided in Section 149 of the Companies Act 2013 and Regulation 16(1) (b) of the Listing Regulations as amended. The tenure of Independent Directors is five years from the date of their appointment.

Attendance of each Director at the Board of Directors meetings and last Annual General Meeting:

Name of the Director	Board Meeting		Attendance at last AGM
	Held	Attended	
Shri Shivaji Rao Adusumilli	5	5	Yes
Shri Naresh Kumar Adusumilli	5	5	Yes
Shri Ramana Kumar Davuluri	5	5	Yes
Shri Thanu Kolappa Pillai	5	5	Yes
Shri Syed Anis Hussain	5	5	Yes
Shri Srinivas Narayana Rao	5	5	No
Smt Latha Pamula	5	4	Yes
Shri Yeda Kiran Kumar	5	5	Yes

- Number of Board of Directorships in Other Companies, Board Committees he/she is a member or chairperson of

Name of the Director	Other Company Directorships		Board Committees	
	Director	Chairman	Member	Chairman
Shri Shivaji Rao Adusumilli	2	None	None	None
Shri Naresh Kumar Adusumilli	4	None	None	None
Shri Ramana Kumar Davuluri	-	None	None	None
Shri Thanu Kolappa Pillai	4	None	2	2
Shri Syed Anis Hussain	1	None	2	1
Shri Srinivas Narayana Rao	1	None	None	None
Smt Latha Pamula	-	None	None	None
Shri Yeda Kiran Kumar	7	None	None	None

None of the Directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are Directors.

Shri A.S. Rao, Executive Vice Chairman and Shri A. Naresh Kumar, Managing Director related to each other being father and son respectively. Save and except the above none of the other Directors on the Board or their respective relatives are not related to each other.

None of the Independent Non-Executive Directors has any pecuniary relationship or transactions with the Company, its promoters or its senior management which in the judgment of Board may affect the independence of the Director except receiving sitting fees for attending board/Committee meetings.

- **Number of board meetings held, dates on which held:**

During the year the Company has held Five Board of Directors meetings. The dates on which these meetings held were: 13th May 2020; 18th July 2020; 11th September 2020; 12th November 2020 and 12th February 2021. The maximum interval between any two meetings was not more than four calendar months. The Independent Directors have met one time on 25th March, 2021 for evaluation of performance of Directors.

- **Board meetings Process:**

The Agenda for the board meetings is circulated in advance which will contain the information and notes as required to be presented under the Companies Act, 2013 and Listing Regulations 2015. Further information and clarifications sought for on the agenda items are provided before the meeting. Those items that could not be included in the agenda are tabled at the meetings. The Board exercises its powers subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Company, Listing Regulations 2015 and other applicable statutory provisions. The Board considers and reviews the agenda items while taking note of the action taken by the Company / management and authorizing the Company / management by way of resolutions wherever required.

- **Skill matrix of the Board**

The following is the list of core skills / expertise /competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and specialized knowledge in relation to Company's business in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.
6. A chart or a matrix setting out the skills/expertise/ competence of the Board of Directors.

Core Skills / Expertise / Competencies	A.Naresh Kumar	K.Thanu Pillai	A.S.Rao	Syed Anis Hussain	Ramana Kumar Davuluri	S.N.Rao	Latha Pamula	Yeda Kiran Kumar
Governance and Board service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Understanding	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Sector Knowledge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strategy development and implementation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal/Regulatory Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- **Familiarization Programme of Independent Directors:**

  At every meeting of the Board of Directors, the Whole Time Directors, over and above the agenda items, give an updating to the Independent Directors on the various technical, financial and general business aspects affecting the Company's business. The departmental heads from various departments were also called in to explain to the Independent Directors technical, financial, commercial, legal aspects affecting the Company's business. The Independent Directors have also met on 25.03.2021 as a part of familiarisation programme and performance evaluation. Details of familiarisation programme to the Independent Directors are placed in the investors' column of the company's website at www.sathavahana.com/Details_Directors.pdf.

- **Policy on selection and appointment of Directors:**

  Selection and appointment of Directors triggers whenever there is a casual vacancy in the Board or when the Board is of the opinion that it be strengthened to bring in diversity and expertise to the Board or to comply with any regulatory directions or with terms and conditions of the agreements.

- Nomination and Remuneration Committee is entrusted with the task of identifying suitable persons by personal contacts or data bases. The selection criteria generally based on personal virtues, qualifications, skills, talent and ability to analyse and judge the issues, dynamism and leadership, experience and expertise in technical, finance, commercial, human resources management etc. After selection of a suitable person, the Nomination and Remuneration Committee considers the appointment on the Board and then recommends the candidature to the Board. The appointment of Director generally is done at the General Meetings unless situation warrants immediate appointment.

  Nomination and Remuneration Committee ensures that the appointees meet the criteria of independence as provided in Section 149 of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations. The tenure of appointment of Independent Directors is generally five years and the office held by Independent Directors is not liable for retirement of Directors by rotation. In the appointment of Whole Time Directors, the Committee also ensures that the appointees meet the criteria as provided in the Companies Act 2013 and Regulation 17 of the Listing Regulations and the tenure of each appointment is generally three to five years. The office held by Whole Time Directors with the exception of office held by Managing Director, is liable for retirement of Directors by rotation.

- **Board's performance evaluation:**

  Independent Directors have met on 25th March 2021 to carry out performance appraisal of the Independent Directors where the role and responsibilities of Independent Directors in terms of various provisions of

Companies Act, 2013 and Regulations 25 (3) & (4) of the Listing Regulations. Later the Whole Time Directors joined the meeting for carrying out the evaluation of Board/Board Committees/Individual Directors. Where performance of individual Director was evaluated, the Director concerned stayed away from the process. Before attempting at evaluation process the Board recognized its fiduciary role, its role in planning and formulating long term strategies, goals and policies and its duties to the Company and Stakeholders.

The performance evaluation of the Board was carried out with reference to its understanding of Company's mission; governing principles; long term vision, strategies, policies; industry and product profile; Company's role and responsibility as a corporate citizen. Board's performance evaluation was also done among others with reference to its ability and capability to guide the Company on long term policies, long range strategic thinking and planning. Evaluation performance also touched upon parameters like Board's ability to stay abreast of issues and trends; open communication, meaningful participation and sound resolution of issues and policy related decisions. From the point of view of meetings conducted, the evaluation performance was reviewed with reference to whether meeting facilitates focus & progress on important Company matters, reconsider and revises policies as and when required; whether new members received prompt and thorough orientation; whether reports on performance, finances, targets are presented timely; whether agendas are well balanced allowing appropriate time for critical issues; whether meetings are held for sufficient length, whether agendas are timely, accurate, contains useful and sufficient information so as to facilitate rightful decision making; whether the functioning of Board is collegial, polite during meetings, respects majority view on issues; communicates its directions, delegations in one voice and whether the meetings are held on regular basis and in compliance with regulatory requirements. With reference to performance evaluation of various Board Committees the issues like whether the composition of each Committee is adequate and balanced, whether the deliberations at the Committee meetings were within the overall objectives for which it was constituted, whether the deliberations are effectively and adequately communicated to the Board, and whether the meetings are held on regular basis and members are participating in the meetings regularly.

In the performance evaluation of each Director the parameters that were applied include whether he or she is regular in attendance, timely present, read the material, feels involved and interested in the Board's work; whether effectively communicating governance and ethical problems to the Board and in cases of conflict of interest avoid participation in the discussions; whether initiates discussions in a meaningful and helpful way, constructively participates and makes timely decisions; whether understands his/her fiduciary duties and acts for the benefit of stakeholders rather than any select group; whether working as a team member striving for consensus while expressing dissent where required; whether working with Whole Time Directors in a way to create trust and co-operation; whether where required avail the assistance and services of staff and outside consultants without hesitation and prevails upon the Board to agree and whether the functioning was within the overall goals and objectives of the Company.

The Board expressed its satisfaction on the overall performance of the Board, its Committees and of each Director during the year.

3. AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of the Companies Act 2013, applicable Rules framed thereunder read with the listing regulations. The primary objective of the committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting.

Committee comprises of Chairman - Shri K.Thanu Pillai, Independent Director and two other Independent Director members - Shri Syed Anis Hussain, and Shri S.N.Rao.

Company Secretary acts as Secretary to the Audit Committee. Representatives of Statutory Auditors and representatives of Internal Auditor are invited to be present at the meetings of the Committee. The Audit Committee meets the requirements of both section 177 of the Companies Act 2013 and Regulation 18 of the Listing Regulations 2015.

The Committee has all the powers, duties and obligations conferred upon and vested in it in terms of Section 177 of the Companies Act, 2013 as amended from time to time and also such additional powers, functions / features, duties, obligations and discretions as is contained in Regulation 18 of the Listing Regulations as amended from time to time and / or any other powers, duties and obligations that may be given or assigned from time to time by the Board of Directors and the said Committee shall submit its reports, recommendations etc., to the Board of Directors on all matters.

Terms of reference of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Modified Opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud of irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
   a] Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
   b] Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Committee met 4(four) times during the year, The dates on which these meetings held were 18th July 2020; 11th September 2020; 12th November 2020 and 12th February 2021.

The following is the attendance of members at these meetings:

Name of the Director	Held	Attended
Shri Thanu Kolappa Pillai	4	4
Shri Syed Anis Hussain	4	4
Shri Srinivas Narayana Rao	4	4

The Audit Committee at its meeting held on 30thJune 2021 has considered and approved the Audited Accounts of the Company for the financial year ended 31st March 2021. The Audited Accounts for the financial year ended 31st March 2021, as approved and recommended by the Audit Committee, do not require any explanations from the Board.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to Section 178 of the Companies Act, 2013 comprising of Three Independent Directors including Chairman.

Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Nomination and Remuneration Committee are as under:

The committee comprises of the following members:

Name of the Director	Held	Attended
Shri Thanu Kolappa Pillai	2	2
Shri Syed Anis Hussain	2	2
Shri Srinivas Narayana Rao	2	2

Meetings during the year:

During the Financial year 2020-21, the Nomination and Remuneration Committee met 2(two) times during the year, The dates on which these meetings held were 13th May 2020 and 25th March 2021.

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board the reappointment and removal;
4. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria;
5. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc;
6. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
7. Payment / revision of remuneration payable to Managerial Personnel.
8. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
9. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
10. Any other functions / powers / duties as may be entrusted by the Board from time to time.

The key objectives of this Policy includes:

(i) Guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

(ii) Specifying the manner for effective evaluation of the performance of members of the Board, the Board as a whole and Committees thereof, and review its implementation and compliance.

(iii) Recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel & Senior Management.

The committee under the guidance of Board has formulated the criteria and frame work for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

Remunerations of Directors

I. Non executive directors of the Company do not have any pecuniary relationship or transactions with in the company

A. Remuneration paid during the year to Executive Directors:

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Commission (Rs.)	Total
Shri A. Naresh Kumar	58,87,438	1,12,562	-	60,00,000
Shri A.S. Rao	58,90,000	50,000	-	59,40,000
Shri Ramana Kumar Davuluri	22,15,876	5,25,296	-	27,41,172
Total	**1,39,93,314**	**6,87,858**	**-**	**1,46,81,172**

B. Sitting fees paid during the year to Non- Executive Directors:

Name of the Director	As a Director Attending Board meeting	As a Director attending Committee meeting	Total
Shri K. Thanu Pillai	72,000	42,000	1,14,000
Shri Syed Anis Hussain	72,000	51,000	1,23,000
Shri S.N. Rao	72,000	42,000	1,14,000
Smt. Latha Pamula	60,000	NA	60,000
Shri Yeda Kiran Kumar	72,000	NA	72,000
Total	**3,48,000**	**1,35,000**	**4,83,000**

5. STAKE HOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee is responsible for addressing the investor complaints and grievances. The Committee meets on a periodic basis to address the investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of other documents etc. Details of grievances of the investors are provided in the "Shareholders' Information" section of this Annual Report. The committee has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee comprises Shri Syed Anis Hussain, Shri A.S.Rao and Shri A. Naresh Kumar as its members and is headed by Shri Syed Anis Hussain as Chairperson.

The terms of reference of the Stakeholder's grievance Committee are as under:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year the Committee has met 3 times. The necessary quorum was present in all the meetings. Share transfers in dematerialisation mode pending on 31st March 2021 were nil.

The company has registered itself under SEBI Compliant Redressal System (SCORES) for faster and transparent processing of Investor Grievance. The details of Complaints receive and resolved during the year is as follows:

1	Pending at the beginning of the year	0
2	Received during the year	0
3	Disposed of during the year	0
4	Remaining unresolved at the end of the year	0

During the year under review, investors' grievances received were nil and no complaints were outstanding as on 31st March 2021.

6. CODE OF BUSINESS CONDUCT AND ETHICS

In line with the avowed policy on Corporate Governance, the Company has evolved a Code of Business Conduct and Ethics (hereafter referred to as "the Code") applicable to all Directors and senior management of the Company and the same was adopted by the Board of Directors at its meeting held on 29th April 2006. The Code is appended to this Annual Report as an exhibit elsewhere. A link is available in Company's website at www.sathavahana.com under investors' column. The Code has since been circulated to all the Directors and members of senior management and their compliance reports for the financial year 2020-21 have been obtained by the Company.

Statement furnished by the Managing Director as to the compliance of the terms of the Code by the Company is given below:

"COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS BY THE COMPANY"

I hereby declare and confirm that the Company has complied with the terms of Code of Business Conduct and Ethics evolved by the Company and has obtained the statements of compliance from all the members of the Board of Directors and senior management of the Company for the financial year 2020-21 and further confirm that there are no incidences of violation of the code.

(A. Naresh Kumar)
Managing Director

7. CEO/CFO CERTIFICATION:

The Company has obtained a certificate from the MD/CFO as required by Regulation 17(8) (Part B of Schedule II) of the SEBI (LODR) Regulations, 2015 and the same forms part of this report as **"Annexure A".**

8. CERTIFICATE FROM PRACTICING COMPANY SECRETARY THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF THE COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH AUTHORITY:

A Certificate from Practising Company Secretary is received by the Company stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed as continuing as directors of the companies by the Board/Ministry of corporate affairs or any such statutory authority and the same is annexed to this report as **"Annexure B".**

9. GENERAL BODY MEETINGS:

Year	Type of Meeting	Venue	Date	Time
2017-18	29th AGM	Sri Sagi Rama Krishna Raju Community Hall, Madhuranagar, Hyderabad - 500 038	29.09.2018	3.00 PM
2018-19	30th AGM	Sri Sagi Rama Krishna Raju Community Hall, Madhuranagar, Hyderabad - 500 038	30.09.2019	3.00 PM
2019-20	31th AGM	Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	29.12.2020	3.00 PM

During the year under review, the Company has not called for any Extraordinary General Meeting.

The following Resolutions were passed with requisite majority as Special Resolutions at the respective Annual General Meetings:

AGM	Special Resolution
29th AGM	1. Re-appointment of Shri A.S.Rao as Executive Vice- Chairman 2. Appointment of Dr. Shailendra Dasari as Executive Director (Operations)
30th AGM	1. Re-appointment of Shri A. Naresh Kumar as Managing Director 2. Appointment of Shri Ramana Kumar Davuluri as Executive Director (Operations)
31st AGM	1. Approval of remuneration of Mr. A.S. Rao, Executive Vice Chairman in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment.

10. POSTAL BALLOTS:

Year	Type of Meeting	Purpose/Agenda	Notice Date
2018-19	Postal Ballot	Following resolutions were passed as special resolutions. ● Reappointment of Shri. THANU KOLAPPA PILLAI (DIN: 00123920) as Independent Director ● Reappointment of Shri. SYED ANIS HUSSAIN (DIN: 00115949) as Independent Director ● Appointment of Smt. LATHA PAMULA (DIN: 08358726) as an Independent Woman Director. ● Appointment of Shri YEDA KIRAN KUMAR (DIN:8068075) as Small shareholder Director	15.02.2019

Person Conducting the Postal Ballot Exercise:

Mr. Naresh Kumar Adusumilli, Managing Director and Mr. A. Sainath, Company Secretary was appointed as persons responsible for the entire postal ballot / e-voting process.

Shri. D. Hanumanta Raju & Associates, Practicing Company Secretary, Hyderabad was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

Procedure followed:

1. In compliance with the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of CDSL, for the purpose of providing e-voting facility. The members had the option to vote either by physical ballot or e-voting.
2. The Company dispatched the postal ballot notice dated February 15, 2019 containing draft resolutions together with the explanatory statements, the postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members / list of beneficiaries as on cut-off date i.e, February 15, 2019. The Company also published a notice in the newspaper and other requirements as mandated under the Act and applicable rules.
3. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutinizer on or before 28th March 2019.
4. The Scrutinizer submitted his report on March 26, 2019, after the completion of scrutiny.
5. The results of the postal ballot were announced by the Chairman or any person authorized by him (a definite name could be given as it is a thing of the past) on or before March 28, 2019 The declaration of results of e-voting i.e. March 26, 2019, was taken as the date of passing the resolutions.
6. The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at www.sathavahana.com
7. The consolidated summary of the result of postal ballot / e-voting is hosted on the website of the Company in investors' column.

11. DISCLOSURES:

A. Related Party Transactions (RPT)

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company as contained under Section 188 of Companies Act, 2013. Suitable disclosures as required by the Indian Accounting Standards [IND AS24] have been made in the notes to the Financial Statements.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT are disseminated on the Company's website at: (www.sathavahana.com) The details of transactions with related parties were placed before the Audit Committee and the Committee has reviewed the same for the year ended 31st March, 2021. The details of RPT are disclosed in Note No. 31 of Notes on Financial Statements to the Accounts in the Annual Report and also in Form AOC-2 attached with the Boards' Report.

B. Corporate Social Responsibility:

The Company has constituted Corporate Social Responsibility Committee (in short “CSR Committee”)to discharge Corporate Social Responsibility as provided in Section 135 of the Company Act, 2013 and the Listing Regulations. The Committee comprises two Independent Directors viz., Shri S.N. Rao, Shri Syed Anis Hussain and two Non-independent Directors viz., Shri A.S. Rao, Shri A. Naresh Kumar as members. The members of the Committee shall elect one from amongst themselves as Chairperson at every meeting of the Committee.

The members of the Committee shall elect one from amongst themselves as Chairperson at every meeting of the Committee.

CSR committee has all the powers, duties and obligations conferred upon and vested in it in terms of Section 135 of the Companies Act, 2013 as amended from time to time and Rules, Notifications, circulars issued under the said Act and also such additional powers, functions / features, duties, obligations and discretions as is contained in the Listing Regulations as amended from time to time and / or any other powers, duties and obligations that may be given or assigned from time to time by the Board of Directors and the said Committee shall submit its reports, recommendations etc., to the Board of Directors on all matters.

The Corporate Social Responsibility shall be discharged by the CSR Committee in consultation with the Board of Directors. The CSR Committee shall meet as often as required.

The CSR Committee shall prepare Annual CSR plan at the beginning of each financial year in line with provisions read with Schedule VII of the Companies Act, 2013 and the CSR Rules and which shall be referred to the Board for its approval. The CSR activities shall be those covered under the Companies Act, 2013 apart from any such activity which in the opinion of the CSR Committee is desirable and in the interest of society and public at large.

The Budget for CSR activities shall be a minimum amount as computed under the provisions of Section 135 of the Companies Act, 2013 and the Rules thereunder if any and the Board shall be the authority to increase / decrease the budget subject to fulfilling the statutory requirements.

The CSR Committee shall submit its reports, recommendations etc., to the Board of Directors on all Corporate Social Responsibility matters.

The policy shall be subject to review and amendment as and when required and the Board of Directors is the authority for such review and amendment.

During the year, the Company in terms of provisions of sub section 5 to Section 135 of the Companies Act 2013 is not required to earmark any fund for Corporate Social Responsibility activities in view of the losses reported by the Company.

C. Whistle Blower Mechanism

The Company has constituted a Whistle Blower Committee within the Audit Committee with Shri K.Thanu Pillai as Chairperson and Shri Syed Anis Hussain and Shri S.N.Rao as members. The Committee oversees the implementation of Whistle Blower / Vigil Mechanism and is empowered to take all necessary steps, decisions required in connection with whistle Blower system. The Whistle Blower Mechanism is available to all the stakeholders of the Company and assures adequate safeguards against victimization to the Whistle Blowers. The Chairperson can be reached at info@sathavahana.com.

The Whistle Blower Mechanism details are also provided on Company's website www.sathavahana.com in investors' column.

D. Nirbhaya Committee

The Company has constituted a Committee by name "Nirbhaya Committee" as required under the provisions of Companies Act 2013 and the Listing Regulations for monitoring and ensuring the safety and security of women employees with Shri A.S. Rao, Shri A. Naresh Kumar and Shri S.N. Rao as members. The members of the Committee shall elect a Chairman from amongst themselves for every meeting of the Committee. The Committee is empowered to take all steps, decisions required in connection with safety and security of women employees and to delegate all or any of the power hereby conferred. The Committee has not met during the year as there were no agenda to be discussed.

E. The Company do not have any holding and subsidiary Company to be reported. The accompanying Financial Statements are on standalone basis.

F. Details of non-compliance by the Company:

a. There was no Company Secretary in the Company for more than six months as required under Section 203 of Companies Act, 2013 read with Rule 8 of Chapter XIII of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 (1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; However, the Company has appointed a Company Secretary on 13.05.2020.

b. The Company is yet to file Form IEPF-4 for statement of transfer of shares in respect of Un-claimed dividend for seven years to IEPF authority as required under Section 124 (6) of Companies Act, 2013.

c. The Company has not taken prior approval of the secured creditors for payment of remuneration to key managerial personnel as required under Part II of Schedule V of the Companies Act, 2013.

d. The Company has not disclosed to the Stock Exchanges about the details of default on payment of interest / instalment obligations on loans from Banks/Financial Institutions for the Quarters ended 31.03.2020 and 30.06.2020 and delayed by 7 days in disclosing to the Stock Exchanges for the Quarter ended 30.09.2020.

e. The Company has taken advances from customers which were outstanding for more than one year in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the company is in violation of the same and the same is also not filed in Form DPT-3.

G. Accounting treatment:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

H. Risk Management:

The Board engaged itself with the task of Risk Management by preparing, implementing and monitoring the risk management plan of the Company. The Board apart from ensuring the effectiveness of risk management covering internal financial risks and controls also reviews the same on regular basis. Major risks identified by the Board are monitored on a regular basis.

The Policy on "Risk management & minimization procedures" is available is available on the Company website www.sathavahana.com.

(12) Other Disclosures:

a) There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential Conflict with the interests of the Company at large.

b) Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

Year	Reasons for penalty	Authority	Amount Rs.
2017-18	NA	NA	-
2018-19	Regulation 17(1) of SEBI (LODR) Regulations, 2015	BSE	13,45,200/-
2019-20	Regulation 17(1) of SEBI (LODR) Regulations, 2015	NSE	13,45,200/-
	Regulation 6(1)of SEBI (LODR) Regulations, 2015	BSE	7,080/-
	Regulation 6(1)of SEBI (LODR) Regulations, 2015	NSE	7,080/-

c) The company has formulated and adopted formal whistle blower / vigil mechanism policy and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements: The Company has complied with the mandatory requirements and has adopted a few non-mandatory requirements as specified under Regulations of Listing Regulations, which are reviewed by the management from time to time.

e) Disclosure of commodity price risks and commodity hedging activities. NA

f) Total fees for all services paid by the listed entity to the statutory auditor for the year Rs. 18,62,700/-

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

1	Pending at the beginning of the year	Nil
2	Received during the year	Nil
3	Disposed of during the year	Nil

13. Compliance with Non Mandatory Requirements

The Board - The Chairman of the Company is Non Executive Director

Shareholders Rights - As per requirements, the financial results were made available on the Company's website www.sathavahana.com. The same is available at the sites of the stock exchanges where the shares of company are listed.

Audit Qualifications - There were qualifications by the Auditors on the financial statements of the Company. The same is appropriately delt in the Notes to the financial statements (refer Note 36-42).

Reporting of Internal Auditor - Internal Auditor regularly attends the meetings of Audit Committee to report the findings in Internal Audit to the Audit Committee members.

14. MEANS OF COMMUNICATION:

Half yearly and quarterly results are normally published in the newspapers viz., The Financial Express (English daily) and the Andhra prabaha (Telugu daily) or Nava Telangana (Telugu daily) on approval of the financial results by the Board of Directors. The Company immediately after announcement of financial results sends to the Stock Exchanges. Annual reports are also being sent to the Stock Exchanges where the shares of the Company are listed. The financial results and annual reports would also be made available on Company's website www.sathavahana.com in the investor's column.

Financial Results are sent regularly to Stock Exchanges where the shares of Company listed, financial institutions and banks upon their publication.

15. Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to regulate and monitor insider trading by designated person and has formulated a code on insider trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

The Company has adopted an 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' (“the Code”) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the SEBI (PIT) Amendment Regulations, 2018. This Code is displayed on the Company's website viz. www.sathavahana.com

16. Additional Disclosures:

The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to Subsidiary of listed entity	NA
25	Obligation with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (I)	Website Disclosures	Yes

17 GENERAL SHAREHOLDERS INFORMATION:

a) AGM : 32nd Annual General Meeting
Day and Date : Tuesday, December 28, 2021
Time : 3.00 PM
Venue : NA
Financial Year : 01.04.2020 to 31.03.2021

b) Date of Book Closure:

Physical Mode	22.12.2021 to 28.12.2021 (Both Days inclusive)
Electronic mode	21.12.2021
Cut off Date	21.12.2021

c) Listing on Stock Exchanges, Stock Code, Demat Code:

Name of the Stock exchange	Stock code
BSE Limited	526093
National Stock Exchange of India Limited	SATHAISPAT
ISIN Code for electronic trading and dematerialisation in NSDL / CDSL	INE176C01016

The fee to the above Stock Exchanges has not paid in the financial year 2021-22.

d) Market price data: high/low price on BSE during each month in last financial year 2020-21:

Month	High	Low	Month	High	Low
April	1.95	1.55	October	2.23	2.12
May	2.32	1.90	November	2.22	2.11
June	2.26	1.65	December	2.33	2.11
July	2.37	1.80	January	2.82	2.34
August	2.47	1.80	February	2.96	2.73
September	2.47	2.32	March	2.89	2.65

Market price data: high/low price on NSE during each month in last financial year 2020-21:

Month	High	Low	Month	High	Low
April	1.75	1.20	October	2.80	2.55
May	2.40	1.75	November	2.80	2.70
June	2.30	1.70	December	2.90	2.70
July	2.40	1.90	January	3.30	2.70
August	2.80	1.90	February	3.25	2.95
September	2.70	2.70	March	3.30	2.85

f) Registrar and Transfer Agents: The Company has appointed M/s. XL Softech Systems Limited, who are acting as share transfer agents for physical transfers as well as for electronic transfers effective from 1st April 2006 and their address is as under:

M/s. XL Softech Systems Limited,

#3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034

email: xlfield@gmail.com

g) Share transfer system:

The Company's Shares are under compulsory dematerialisation category and transfers in electronic mode are affected on line by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Further the Securities and Exchange of India (SEBI) in its circular dated 20.04.2018 mandated that dematerialized equity shares are only eligible for transfers with the exception of transmissions. Hence all shareholders are requested to get the shares dematerialized for the purpose of transfers.

Distribution of shareholding as on 31.03 2021:

No of Shares		No of Shareholders		Shareholding	
From	To	Nos.	% to total	Nos.	% to total
1	5000	10665	77.71	2141284	4.21
5001	10000	1392	10.14	1219847	2.40
10001	20000	660	4.80	1044275	2.05
20001	30000	284	2.07	745855	1.47
30001	40000	118	0.86	430029	0.84
40001	50000	139	1.01	661422	1.30
50001	100000	215	1.57	1609168	3.16
100001 and above		252	1.84	43048120	84.57
	Total	13725	100.00	50900000	100.00

The shareholding pattern as on 31.03.2021

S.No	Category of Shareholder	Number of shareholders	Total number of shares	Total holding in percentage terms to that of equity shares
A	**sharehoding of Promoter and Promoter Group**			
A.1	Indian	8	1,76,25,336	34.63
A.2	Foreign	1	25,20,000	4.95
B	**Public Shareholding**			
B.1	Mutual Funds	1	8,100	0.02
	Financial Institutions/Bank	5	6,800	0.01
	Foreign Portfolio Investors	1	28,00,000	5.5
B.2	Bodies Corporates	122	12,50,319	2.46
	Individuals	13,121	1,93,03,409	37.92
	Non- Resident individuals	128	1,30,529	0.26
	Clearing members	13	6,264	0.01
	HUF	323	9,17,978	1.8
	Foreign Body Corporates	1	55,76,316	10.96
	IEPF	1	7,54,949	1.48
	Grand Total	13,725	5,09,00,000	100

h) Dematerialisation of shares:

The Company's shares are in compulsory dematerialisation category w.e.f. 26.02.2001 with ISIN No. INE176C01016. The Company has established electronic connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar and transfer agents M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2,Banjara Hills, HYDERABAD – 500034. So far 49749323 shares constituting 97.74% of paid -up share capitals have been converted into fungible form up to 31st March 2021. The Company's Equity Shares are regularly traded in dematerialised form on BSE (Stock Code: 526093) and NSE (stock code: SATHAISPAT).

i) Reconciliation of Share Capital audit:

Reconciliation of Share Capital audit was carried out on quarterly basis by a qualified Practicing Company Secretary to reconcile the Equity Share Capital held in dematerialised form with both Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in Physical Form. The Share Capital Audit Reports confirm that the number of Equity Shares as per the Issued and Paid-up Equity Share Capital is in agreement with the number of Equity Shares held in aggregate in physical form and dematerialised form with NSDL and CDSL. No Equity Shares were held in any suspense account.

j) Issue of GDRs/ADRs/Warrants:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments which are outstanding as on March 31, 2021. The Share Warrants issued in the past were fully converted into Equity Shares within the time frame allowed for such conversion.

k) PLANT LOCATIONS:

1. Haresamudram Village, Bommanahal Mandal, Ananthapuram District, Andhra pradesh	2. Kudithini Village, Korugodu Road, Bellary District, Karnataka

l) Address for correspondence:

Registered Office:
505, 5th Floor, Block - 1, Divyashakti Complex,
Ameerpet, Hyderabad - 500 016, Telangana.

m) Company's Corporate Identity Number (CIN):

L27109TG1989PLC010654

The Report on Corporate Governance and accompanying Management Discussion and Analysis is prepared in compliance with requirements of Listing Regulations 2015 and forms part of Directors' Report and as such is to be read in conjunction with the Directors' Report.

For Sathavahana Ispat Limited

Sd/-
Bhuvan Madan
Resolution Professional
IBBI/IPA-001/IP-P01004/2017-18/11655

Place: Hyderabad
Date: 29.11.2021

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and other statutory requirements. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgment relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

2. INDUSTRY STRUCTURE:

The Company is engaged in the manufacture and sale of Pig Iron; Ductile Iron Pipes and 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. The Company is using Mini Blast Furnace Technology. The Company operates Blast Furnace with technology sourced from Sino-Steel for Pig Iron making. The Company uses the Anshan technology, sourced from P.R.China for Metallurgical Coke making. The technology for Ductile Iron Pipe making was Chinese Academy of Agriculture Mechanisation Sciences (CAAMS), China. Pig Iron is of two grades – basic grade and foundry grade. Basic grade is used in the manufacture of Steel and whereas foundry grade is used for making castings. Basic grade is produced mainly by the Integrated Steel Plants (ISPs) for captive consumption in the manufacture of steel and exports. Part of the production is also diverted to the domestic market. Foundry grade is mainly used for castings and is produced by the Mini Blast Furnace units. The Company is into Pig Iron manufacture since inception. A major portion of Pig Iron manufactured is captive consumed in the manufacture of Ductile Iron Pipes.

3. ECONOMIC OVERVIEW

Global Economy

Leaving behind the unprecedented health and economic crisis caused by Covid-19 Pandemic, the global economy is beginning to show a subdued recovery. The economy is expected to accelerate in 2021, though with significant variation around the world. The world will benefit from vaccinations; both directly in fewer illnesses and indirectly as lockdowns and fears subside. Prospects have improved over recent months with signs of a rebound in goods trade and industrial production. Global GDP growth is projected to be 5.2-5.6% this year. World output is expected to reach pre-pandemic levels by end-2021.

Indian Economy

India as a country, so far did better than many other countries, to effectively handle the Covid-19 pandemic. India's economy, estimated to contract by 6.9 per cent in 2020 due to the pandemic, is forecast to record a “stronger recovery” in 2021 and achieve considerable growth in current fiscal year as the budget points to a shift towards demand-side stimulus, with an uptick in public investment.

Though, 2nd wave of Covid-19, sweeping India since mid-March, 2021, is a cause of concern, the long-term growth perspective of the Indian economy remains positive due to its young population and corresponding low dependency ratio, healthy savings, and investment rates, increasing globalization in India and integration into the global economy.

According to Economists, the next 10 years could be the most important period in India's economic development, because if everything goes as per estimates, India will be able to reap the fruits of its favourable demography in 2030s and 2040s.

4. OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Pig Iron, a major product of the Company, is primarily used for manufacturing a variety of grey iron and ductile iron castings by foundries for a host of industries like automotive, agriculture, pump, valve, compressor, railways, defence, wind mills, heavy machinery etc. Besides this, the Company also manufactures basic grade PI in small quantities which is consumed by secondary steel makers. Both these industries - casting as well as steel, are expected to grow at good pace in the coming financial year, driven by Government of India initiatives.

Being in the intermediate stage in the industry there is an opportunity for both backward integration and forward integration. The Company has set up a Coke Oven facility with Co-generation of Power at a Greenfield site–as a first phase of backward integration. The Company has also set up Sinter Plant as a backward integration and Ductile Iron Pipe plant as forward integration at its Pig Iron making plant.

Company sources Coking Coal, a key input material, by importing from outside India and thus suffers from import Constraints. However, the Company has identified reliable suppliers, which minimises the import constraints. The Company has set up a Metallurgical Coke making facility with latest technology at a Greenfield project site to minimize the impact of import of Metallurgical Coke.

As the customs duties on Pig Iron imports are lowered from time to time there is an import threat to that extent. However, given the importers' profile of Pig Iron who are mainly foundries and are in an unorganised sector, the import threat is minimal. Moreover, with the surge in global demand for Iron and Steel and increase in raw material prices, the availability of Iron and Steel at competitive price is remote. Negligible imports during the last couple of years are an ample indication of zero risk of the threat.

Threats to continuing growth arises from the fact that the Indian economy cannot remain isolated from the global changes, especially actions by countries like US and China. Growing protectionist measures and geopolitical tensions can adversely impact the world economy including India Moreover, the forward integration into Ductile Iron Pipe making would further minimise such threat.

Global slowdown in the steel industry may lead to lower exports of Pig Iron and therefore result in surplus availability in the domestic market. Further, with expansion of large integrated steel plants, there could be a mismatch between iron making and steel making capacities especially during the commissioning and ramp-up period resulting in surplus of PI. Activation of these factors may put pressure on the Pig Iron prices and impact margins. Similarly, global coal/ coke prices have shown increased volatility in the last three years and are still vulnerable to changes driven by the Chinese steel industry or supply conditions in Australia.

The Company's business is mainly commodity business. The financial health of the unit will be affected by adverse changes in the industry and commodity markets. Company implemented facilities involving both forward integration and backward integration and thus the risk would be minimized

5. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company's business comprises manufacture and sale of Pig Iron and Ductile Iron Pipes as one segment called Ferrous Products and manufacture of Metallurgical Coke with Co-generation Power as the other segment. The operations of the Company during the year under review were adversely impacted due to working capital constraints and consequent stress in the financial resources. Metallurgical Coke including Coke Fines production was at 125504MTs (including job work of 118673 MTs) as against 198924 Mts (including job work of 79621 MTs) in the previous year. Out of the total production, 1143 MTs was captively consumed as against 15915 MTs in the previous year. The Company sold 9666 MTs of Metallurgical Coke and Coke Fines as against 119094 MTs in the last year in the nearby markets. The gross sales revenues of products and services in value terms were Rs. 267608534/- as compared to Rs.2728962973/- in the last year.

6. OUTLOOK:

Financial Year 2021-22. The Demand of DI Pipes is likely to be muted owing to seasonal factors. Duringthe

Covid-19 situation, safe and hygienic water supply is most important for the Government. Ductile Iron pipe is the safest and most suitable pipe for transportation of water not only in urban cities but also in rural India. The company is hopeful that Central and State Governments will continue to give priority and remain committed in respect of on-going and future water supply, sewerage and irrigation projects in the country.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate Internal Control Systems commensurate with the size and nature of its business. Internal Control Systems are supplemented by internal audits carried out regularly by outside independent qualified auditors. The Audit Committee interacts with the statutory and internal auditors. The Management also regularly reviews the operational efficiencies, utilisation of fiscal resources and compliance with laws so as to ensure optimum utilisation of resources, achieve better efficiencies and comply with the laws of land.

8. DISCUSSION ON FINANCIAL PERFOMANCE WITH RESPECT TO OPERATONAL PERFOMANCE:

The Financial Statements for the year under review have been prepared on a going concern basis and in compliance with provisions of the Companies Act 2013 and by following the generally accepted accounting principles in India and the applicable mandatory Ind AS Accounting Standards notified by the Government under section 133 of the Companies which the Company adopted being first time adoption with transition dated 01st April 2016. The operational performance vis-à-vis financial performance is as under:

PARAMETER	FY 2020-21		FY 2019-20		Growth / Reduction %	
	Quantity	Value Rs. Cr	Quantity	Value Rs. Cr	Quantity	Value Rs. Cr
Metallurgical Coke						
Production (mt)*	125504		198924		(36.90)	
Captive use (mt)	1143		15915		(92.81)	
Sales(mt)	9666	17.05	119094	257.47	(91.88)	(93.37)
Power						
Generation (mu)	15.435		49.540		(68.84)	
Captive(mu)	10.511		15.417		(31.82)	
Sales(mu)	6.014	1.15	33.015	8.54	(81.83)	(86.53)
Others*		8.56		6.89		24.23
Gross Sales		26.76		272.90		(90.19)
Less: Excise Duty		0		0		0
Net Sales		26.76		272.90		(90.19)

*include Job work of 118673 MTs (previous year 79621) value Rs. 8.11 Crores (Previous year 5.32 crores).

Note: Product description includes by-products in the form of scrap and fines.

The operational performance during the year across all segments is lower due to lower volumes which in turn were impacted due to working capital constraints. Metallurgical Coke production was at 125504 MTs (including Job work of 118673 MTs) as against 198924 MTs including job work of 79621 MTs in the previous year. The captive consumption of Metallurgical Coke was at 1143 MTs as against 15915 MTs in the year before. The sale of Metallurgical Coke consequently was at 9666 MTs as compared with 119094 MTs in the previous year. The Co-generation Power has gone down from 49540290 KWH to 15435088 KWH.

On the back of these adverse conditions the Company recorded gross sales of Rs. 267608534/- as compared with Rs. 2728962973/- in the last year.

On the financial performance front the operating loss before finance costs and depreciation and amortization was at Rs. 24667235/- as against operating loss of Rs. 741698811/- in the last year. The year ended with loss before and after tax of Rs. 3260037393/- as compared with a loss before and after tax of Rs. 3107611427/- in the year before. The performance during the year in line with operational performance impacted mainly due to working capital constraints.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key ratios, along with detailed explanation

S.No	Ratio Names	2020-21	2019-20	Change	Change(%)	Reason for change
1	Debtors Turnover Ratio	0.66	4.72	-4.06	-86.02%	Company has become NPA in 2017, only one plant is operational and one plant is under shutdown hence figures are not comparable
2	Inventory Turnover Ratio	0.56	5.46	-4.90	-89.74%	
3	Interest Coverage Ratio	-0.16	-0.62	0.46	-74.19%	
4	Current Ratio	0.05	0.07	-0.02	-28.57%	
5	Debt Equity Ratio	-1.76	-2.22	0.46	-20.72%	
6	Operating Profit Margin	-2.07	-0.47	-1.60	340.43%	
7	Net Profit Margin	-12.18	-1.14	-11.04	968.42%	

9. Human Resources and Industrial Relations:

Employees are the valuable assets and the strength of an organisation in its growth, prosperity and development. Your Company has a team of qualified and dedicated personnel who have contributed to the growth and progress of the Company.

The employees are imparted training on site and are encouraged to participate in the decision-making process.

The management acknowledges the contributions made by each employee at all levels and records its appreciation for the co-operation extended, but for which the present growth would not have been possible. The employee strength of the Company is 149 persons excluding working Directors as on 31st March 2021.

10. Statutory Compliance:

The Managing Director, after obtaining confirmation from all the departments of the Company, makes a periodic declaration regarding the compliance with the provisions of various statutes, applicable to the Company.

11. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statues and other incidental factors.

Annexure-A

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification

We, **Naresh Kumar Adusumilli,** Managing Director and **V.S.R.K.Hanuman,** Chief Financial Officer of Sathavahana Ispat Limited, to the best of our knowledge and belief hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2021 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or volatile of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours faithfully,

Place: Hyderabad
Date: 30.06.2021

(A. Naresh Kumar)
Managing Director

(VSRK Hanuman)
Chief Financial Officer

Annexure - B

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SATHAVAHANA ISPAT LTD

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SATHAVAHANA ISPAT LTD** having CIN:L27109TG1989PLC010654 and having registered office at Flat 505, 5th Floor, Block-1, Divyashakti Complex, Ameerpet, Hyderabad Telangana - 500 016 (hereinafter referred to as 'the Company'), produced before us by the Company electronically due to Covid -19 pandemic for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Thanu Kolappa Pillai	00123920	29/01/1999
2	Mr. Srinivas Narayana Rao	00116021	01/02/1999
3	Mr. Syed Anis Hussain	00115949	30/09/2006
4	Mr. Naresh Kumar Adusumilli	00112566	01/06/2009
5	Mr. Sivaji Rao Adusumilli	00899415	27/07/2015
6	Mrs. Latha Pamula	08358726	14/02/2019
7	Mr. Yeda Kiran Kumar	08068075	01/04/2019
8	Mr. Ramana Kumar Davuluri	01713259	20/04/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122C001516841

Place: Hyderabad
Date: 23.11.2021

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
SATHAVAHANA ISPAT LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 12th February, 2021.

2. This report contains details of compliance of conditions of Corporate Governance by Sathavahana Ispat Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the"SEBI Listing Regulations"), pursuant to listing agreement with Stock exchanges.

Management's Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance Whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended March 31, 2021.

6. We conducted our examination in accordance with the Guidance Note on Certificates for Special purposes, Guidance note on Certificate of Corporate Governance, both issued by the Institute of the Chartered Accountants of India (the "ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation Provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Emphasis of Matter

10. The company required to fill the vacancy of company secretary within a period of six months as specified under section 203(4) of companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Key managerial Personnel) Rules 2014 however the company secretary appointed on 13th May, 2020 which is after six months of vacancy.

11. The company is yet to file Form IEPF-4 for statement of transfer of shares in respect of Un-claimed dividend for seven years to IEPF authority as required under Section 124 (6) of Companies Act, 2013.

12. The company has failed to disclosing to the Stock Exchanges about the details of defaults on payment of interest/instalment obligations on loans from banks/Financial institutions for Quarter ended 31st March 2020 and 30th June 2020 and slight delayed by 7 days in disclosing to the stock exchanges for Quarter ended 30th September 2020 as required under Regulation/Circulars of the SEBI

Restriction on Use

13. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For MAJETI & CO
Chartered Accountants
Firm Registration Number: 015975S

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN: 21220354AAAACL1258

Place: Hyderabad
Date: 29.11.2021

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SATHAVAHANA ISPAT LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **SATHAVAHANA ISPAT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

(a) We draw your attention to Note no 41 to the Ind AS Financial Statements, As per Indian Accounting Standard 36 on Impairments of Assets, the Company is required to determine impairment in respect of Property, Plant & Equipment as per the methodology prescribed under the said Standard on account of shut down of the ferrous plant and very limited operations in the coke oven plant since 12th June 2017. However, the Management of the Company has not done impairment testing for the reasons explained in the above note. Consortium Lenders of the Company appointed two independent valuers for each class of the assets. The valuation reports contain the value which is lower than the carrying net book value of a certain class of assets as at March 31, 2021. However, In the absence of any working for impairment of the property, plant and equipment as per Ind AS 36, the impact of impairment, if any on the Ind AS financial statements is not ascertainable.

(b) We draw your attention to note no. 36 to the Ind AS financial statements, where in management has considered outstanding trade receivables, Supplier advances, capital advances and other financial assets of Rs.34,81,82,443/-, Rs.5,95,26,779/-, Rs.1,74,00,846/-, Rs.1,57,02,486/- (As at March 31, 2020 - Rs. 35,79,02,819/-, Rs.5,01,54,609/-, Rs.1,73,63,284/-, Rs.1,57,02,486/-) respectively for period morethan one-year as good and fully recoverable as at the balance sheet date. For reasons stated in the aforesaid note, and due to confirmations being not available and pending reconciliation adjustments we are unable to comment on the recoverability of these receivables, advances and its consequential effect on these financial statements.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2020.

(c) We draw your attention to Note no 37 to the Ind AS financial statements regarding substantial amount of statutory dues related to Income tax, Employee's provident fund, Employee's state insurance act, gratuity, and professional tax, amounting to Rs. 11,05,80,126 (As at March 2020: Rs. 10,83,39,226/-) have become overdue and remain unpaid. Interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2020.

(d) We draw attention to Note no 39 to the Ind AS Financial statements regarding non-moving inventories Since shut down of the operations at factory located at Hare samudram amounting to Rs. 19,82,98,231/-

(As at 31st March 2020: Rs. 21,18,90,759). There is no substantial movement in the stock since operations closed at factory, as mentioned in aforesaid note Management believes that no adjustments to the carrying value of the inventories is required as those are regularly monitored, maintained and in usable/ saleable condition. As per Indian Accounting Standard – 2 'Inventories' are to be Valued at the lower of cost and net realisabie value. Due to pending corroborative evidence to assess the net realisable value, we are unable to comment on the realisable value of these Inventories together with consequential impact.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2020.

(e) We draw your attention to Note no 40 to the financial statements regarding overdue payables aggregating to Rs. 2,22,45,009/- as at March 31, 2021 (2020 - Rs. 2,28,16,437/-), included in 'Creditor for capital works', which is outstanding to a non-resident company for more than three years, and for which the Company is yet to obtain approval from the Authorised Dealer or Reserve Bank of India (RBI) to remit the aforesaid amounts. Any penalties that may be levied by RBI in the aforesaid liabilities in the financial statements are presently not ascertainable.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 33 to the financial statements, which indicates that the Company has incurred a net loss of Rs. 3,26,00,37,393/- during the year ended March 31, 2021 (Year Ended March 31, 2020 - Rs. 3,10,76,11,427/-) and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 16,95,85,53,247/- (As at March 31, 2020 - Rs. 13,65,70,26,043/-). These events or conditions, along with other matters as set forth in Note 33, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

Capital work in progress amounting to Rs 28,85,30,530/-, is carried forward for more than three years pending capitalisation, as mentioned in note no 3(ia) management Plans to capitalise the same on approval of restructuring of borrowings as specified in Note 33.

Our opinion is not modified in respect of this matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to communicate in our report beyond matter addressed in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section of our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report including the annexures to directors' report, Corporate governance and Management Discussion and analysis (MD & A) but does not include the financial statements and our auditor's report thereon. The Directors report including the annexures to directors' report, Corporate governance and Management Discussion and analysis (MD & A) reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information expected to be received after the report date and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors report including the annexures to directors' report, Corporate governance and Management Discussion and analysis (MD & A), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5)of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and *except for the matters described in the Basis for Qualified Opinion* section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) *Except for the possible effects of the matters described in the Basis for Qualified Opinion* section above, in our opinion, proper books of account as required by law have been kept by the Company.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) *Except for the possible effects of the matters described in the Basis for Qualified Opinion section* above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) *The matters described in the Basis for Qualified Opinion section above and Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.*

f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

As the company is in default of making payments to secured creditors, prior approval from secured creditors is required pursuant to Part II of Schedule V to section II(B) of the Companies Act, which is not obtained by the company. Accordingly, the provision of section 197 read with Schedule V has not complied. (Refer Note 31 to the Ind AS financial statements for payments of remuneration to directors).

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - (Refer Note No 29 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MAJETI & CO
Chartered Accountants
Firm's Registration No: 015975S

Place: Hyderabad
Date: June 30, 2021

Kiran Kumar Majeti
Partner
Membership No: 220354
UDIN: 21220354AAAABS7930

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SATHAVAHANA ISPAT LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2021:

a) Refer note no 36 of the financial statements, in respect of long outstanding overdue trade receivables and advances, whereby evidences of control over monitoring /assessing recoverability of such over dues, including assessment of provision of provision for doubtful trade receivables and advances were not operating effectively. This could potentially result in the company not recognising a provision for doubtful/old overdue trade receivables.

b) The Company's internal financial controls over Physical verification of Inventories on periodical basis located at Factory are not operating effectively, which could potentially result in loss of inventory which may not be timely detected and may lead to material misstatements in the Company's financial statements.

c) The Company's internal financial controls over updating the customers /vendors master data with present addresses were not operating effectively.

d) The Company's internal financial controls over timely recording of the journal entries were not operating effectively. We have observed delays in recording of the entries which potentially results in delay of preparation of financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting; such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be evented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2021, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”, and except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial

reporting were operatingeffectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2021, and these material weaknesses do not affect our opinion on the said standalone Ind AS financial statements of the Company.

For MAJETI & CO
Chartered Accountants
Firm Registration Number: 015975S

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN NO: 21220354AAAABS7930

Place: Hyderabad
Date: June 30, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

I. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Based on the programme, the company did physical verification of assets during the previous year and as such, no physical verification was required to be carried out by the Management during the year.

(c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment to the financial statements, are held in the name of the Company.

ii. As explained to us, inventories were physically verified after the year end by the Management and no material discrepancies were noticed on physical verification. *Physical verification of Inventories on periodical basis at reasonable intervals located at Factories are not operating effectively during the year.*

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. *The Company has taken advances from customers which were outstanding for more than one year amounting to Rs. 86,53,876, in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the Company is in violation of the same.* Except for compliance with the aforesaid amount, The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, Goods and Services Tax and cess and other material statutory dues, as applicable with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2021 and outstanding a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Outstanding More than six months Amount (Rs)	Total Amount (Rs)	Period to which it relates	Due date	Date of Payment
Income Tax Act, 1961	Tax Deducted at source	30,81,340	79,41,836	April 2020 to March 2021	on 7th day of next month	Not yet Paid
Income Tax Act, 1961	Tax Collected at source	–	1,45,688	October 2020 to March 2021	on 7th day of next month	Not yet Paid
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	4,69,92,529	4,94,82,333	July 2017 to March 2021	on 15th of next month	Not yet Paid
Employee state Insurance Act	Employees State Insurance	1,06,08,289	1,09,54,563	March 2017 to March 2021	on 15th of next month	Not yet Paid
Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987	Professional Tax	13,31,960	13,54,560	April 2017 to March 2021	on 10th of next month	Not yet Paid
Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	Professional Tax	4,58,210	5,42,210	April 2017 to March 2021	on 10th of next month	Not yet Paid
Telangana Tax on Profession, Trades, Callings and Employment Act, 1987	Professional Tax	1,68,850	1,82,150	Feb 2018 to March 2021	on 10th of next month	Not yet Paid
Payment of Gratuity Act, 1972	Gratuity	3,99,76,886	3,99,76,886	March 2020 to March 2021	Immediate	Not yet Paid

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, duty of customs, as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956	Sales Tax	23,29,595	2005-06	Sales Tax Appellate Tribunal, Visakhapatnam
Income Tax Act, 1961	Interest on Dividend Distribution Tax	13,79,100	2009-10	Deputy Commissioner of Income Tax, Hyderabad
Central Excise Act, 1944	Excise duty and penalty	3,86,056	September 2011 -March 2015	The commissioner of central excise and customs, Belgaum
Customs Act, 1962	Customs duty and penalty	10,43,26,907	2012-13	The Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Andhra Pradesh Value Added tax Act, 2005	Penalty on Late Payment	4,47,276	March 2017 to May 2017	High court of Andhra Pradesh, Amaravati
Central Sales Tax, 1956	Penalty on Late Payment	20,04,728	March 2017 to May 2017	High court of Andhra Pradesh, Amaravati
Central Sales Tax, 1956	Non-submissison of C-Forms	75,21,934	2015-16 & 2016-17	Appeal Pending Before H'ble App. Dep. Commissioner (CT), Tirupathi
Central Sales Tax, 1956	Disallows of exemption granted	10,00,73,784	2010-11	Appeal Pending H'ble AP VAT Appellate Tribunal, Visakhapatnam.
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Dues of Entry Tax	4,46,229	2014-15 to 2016-17	Appeal Pending Before H'ble App. Dep. Commissioner (CT), Tirupathi
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Dues of Entry Tax	22,59,860	2012-13 & 2013-14	High court of Andhra Pradesh, Amaravati
Central Sales Tax, 1956	Non-submission of C-Forms	3,88,623	2011-12	Commercial Taxes Officer- Enforcement, Bellary
Employees' Provident Funds and Miscelaneous Provisons Act, 1952	Damages on late payment	6,90,499	October 2017 to june 2018	Regional PF Commissioner -II/ Regional Office, Ballari.
Employees' State Insurance Act, 1948	Interest on non payment	5,77,938	May 2017 to October 2017	Sub Regional Office, Tirupati

viii. According to the records of the Company examined by us and the information and explanations given to us, The Company has delayed in repayment of principle and interest as mentioned below for the period from March 2017 to March 2021 aggregating Rs. 6,38,78,62,168/-

Term Loans (Refer note 13 to the financial statements)	Nature of dues	Amount of default (Rs.)	Period of default and remains unpaid as at balance sheet date
From Banks			
Canara Bank	Principal	97,64,03,487	59-1461 Days
Days Canara Bank	Interest	85,59,85,743	59-1520 Days
Days State Bank of India	Principal	77,82,96,471	1-1462 Days
Days State Bank of India	Interest	79,67,32,103	1-1461 Days
Days Andhra Bank	Principal	71,16,43,795	1-1462 Days
Days Andhra Bank	Interest	64,64,04,343	1-1461 Days
From Financial Institutions			
Industrial Finance Corporation of India	Principal	81,41,95,455	60-1431 Days
Industrial Finance Corporation of India	Interest	80,82,00,771	60-1431 Days

Working capital Borrowings (Refer note 13 to the financial statements)	Fund based limit (Sanctioned) (Rs.)	Balance outstanding as at March 31, 2021 (Rs.)	Overdrawn balance* (Rs.)
From Canara Bank	26,40,00,000	3,74,20,14,655	3,47,80,14,655
From State Bank of India	40,20,00,000	3,03,11,39,072	2,62,91,39,072
From Andhra Bank	26,40,00,000	2,88,90,04,546	2,62,50,04,546
Total	**93,00,00,000**	**9,66,21,58,273**	**8,73,21,58,273**

*Overdrawn balance mainly on account of devolvement of letters of credit and interest accrued there on.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The company is in default of making payments to secured creditors, prior approval from secured creditors is required pursuant to Part II of Schedule V to section II(B) of the Companies Act, which is not obtained by the company. Accordingly, the provision of section 197 read with Schedule V has not complied. (Refer Note 31 to the Ind AS financial statements for payments of remuneration to directors)

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (IND AS) 24, Related Party

Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For MAJETI & CO
Chartered Accountants
Firm Registration Number: 015975S

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN NO: 21220354AAAABS7930

Place: Hyderabad
Date: June 30, 2021

Balance sheet as at March 31, 2021

(Amounts in ₹)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(i)	6,40,78,38,336	6,83,08,56,587
(b) Capital work-in-progress	3(i)	33,43,18,527	33,43,18,527
(c) Right -of- use asset	3(ii)	3,31,42,622	3,31,42,622
(d) Intangible assets	4	-	-
(e) Financial assets			
(i) Investments	5	19,73,852	12,15,422
(ii) Other financial assets	6	1,71,28,983	5,12,12,343
(f) Other non-current assets	7(i)	9,07,58,855	10,65,20,441
Total Non-current assets		**6,88,51,61,175**	**7,35,72,65,942**
II Current assets			
(a) Inventories	8	21,36,30,587	31,04,68,212
(b) Financial assets			
(i) Trade receivables	9	37,73,26,255	43,19,94,081
(ii) Cash and cash equivalents	10	33,84,377	3,27,53,633
(iii) Bank balances other than (ii) above	11	2,27,53,698	31,19,991
(c) Other current assets	7(ii)	19,09,51,029	18,75,01,675
Total Current assets		**80,80,45,946**	**96,58,37,592**
TOTAL ASSETS		**7,69,32,07,121**	**8,32,31,03,534**
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	12	50,90,00,000	50,90,00,000
(b) Other equity		(10,59,96,20,270)	(7,34,56,95,687)
Total Equity		**(10,09,06,20,270)**	**(6,83,66,95,687)**
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(i)	-	51,68,71,104
(b) Provisions	14(i)	1,72,28,198	2,00,64,482
Total Non- current liabilities		**1,72,28,198**	**53,69,35,586**
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(ii)	9,66,21,58,273	7,99,50,47,295
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note- 30)		-	-
- dues to others		67,66,00,327	83,61,07,517
(iii) Other financial liabilities	15	7,25,22,50,062	5,67,14,30,636
(b) Other current liabilities	16	17,29,30,764	11,70,04,043
(c) Provisions	14(ii)	26,59,767	32,74,144
Total current liabilities		**17,76,65,99,193**	**14,62,28,63,635**
Total liabilities		**17,78,38,27,391**	**15,15,97,99,221**
TOTAL EQUITY AND LIABILITIES		**7,69,32,07,121**	**8,32,31,03,534**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership Number: 220354

A.S. Rao
Executive Vice Chairman
DIN: 00899415

A. Naresh Kumar
Managing Director
DIN: 00112566

V.S.R.K Hanuman
Chief Financial Officer

Hyderabad
June 30, 2021

Statement of profit and loss for the Year Ended March 31,2021

(Amounts in ₹)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	17	26,76,08,534	2,72,89,62,973
II	Other income	18	10,63,88,756	9,15,92,484
III	**Total Income (I+II)**		**37,39,97,290**	**2,82,05,55,457**
IV	**Expenses**			
	(a) Cost of raw materials consumed	19	8,04,45,798	2,82,63,91,308
	(b) Changes in inventories of finished goods, work-in-progress and scrap	20	6,59,50,129	23,61,61,917
	(c) Employee benefits expense	21	11,05,49,344	18,61,70,548
	(d) Finance costs	22	2,81,23,16,949	1,91,77,73,191
	(e) Depreciation and amortization expense	23	42,30,53,209	44,81,39,425
	(f) Other expenses	24	14,17,19,254	31,35,30,495
	Total Expenses (IV)		**3,63,40,34,683**	**5,92,81,66,884**
V	**Loss before exceptional items and tax (III-IV)**		**(3,26,00,37,393)**	**(3,10,76,11,427)**
VI	Exceptional item	38	-	-
VII	**Loss before tax (V-VI)**		**(3,26,00,37,393)**	**(3,10,76,11,427)**
VIII	**Tax expense**			
	(a) Current tax	25	-	-
	(b) Deferred tax	25	-	-
	Total tax expense (VIII)		-	-
IX	**Loss for the year (VII-VIII)**		**(3,26,00,37,393)**	**(3,10,76,11,427)**
X	**Other Comprehensive Income**			
	(A) Items that will not be reclassified to profit or loss			
	-Remeasurements of defined benefit plan		61,12,810	2,42,57,602
	Income tax relating to above		-	-
	Other Comprehensive Income for the year (X)		**61,12,810**	**2,42,57,602**
XI	**Total Comprehensive Income for the year (IX+X)**		**(3,25,39,24,583)**	**(3,08,33,53,825)**
XII	**Loss per share (Par value of Rs.10 each) -Basic and Diluted**	34	**(64.05)**	**(61.05)**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership Number: 220354

A.S. Rao
Executive Vice Chairman
DIN: 00899415

A. Naresh Kumar
Managing Director
DIN: 00112566

V.S.R.K Hanuman
Chief Financial Officer

Hyderabad
June 30, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity share capital

Equity shares of Rs.10/- each issued, subscribed and fully paid up.	Number of Shares	Amount
As at April 01, 2019	5,09,00,000	50,90,00,000
Changes in equity share capital	-	-
As at March 31, 2020	5,09,00,000	50,90,00,000
Changes in equity share capital	-	-
As at March 31, 2021	**5,09,00,000**	**50,90,00,000**

b. Other Equity

(Amounts in ₹)

Particulars	Reserves & surplus				Items of other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General reserve	Retained earnings		
Balance as at April 1,2019	**63,000**	**93,00,00,000**	**1,00,20,00,000**	**(6,22,16,59,444)**	**2,72,54,582**	**(4,26,23,41,862)**
Loss for the year	-	-	-	(3,10,76,11,427)	-	(3,10,76,11,427)
-Remeasurements of defined benefit plan obligations, net of income tax	-	-	-	-	2,42,57,602	2,42,57,602
Total comprehensive income for the year	**-**	**-**	**-**	**(3,10,76,11,427)**	**2,42,57,602**	**(3,08,33,53,825)**
Balance as at March 31, 2020	**63,000**	**93,00,00,000**	**1,00,20,00,000**	**(9,32,92,70,871)**	**5,15,12,184**	**(7,34,56,95,687)**
Balance as at April 1, 2020	63,000	93,00,00,000	1,00,20,00,000	(9,32,92,70,871)	5,15,12,184	(7,34,56,95,687)
Loss for the year	-	-	-	(3,26,00,37,393)	-	(3,26,00,37,393)
-Remeasurements of defined benefit plan obligations, net of income tax	-	-	-	-	61,12,810	61,12,810
Total comprehensive income for the year	**-**	**-**	**-**	**(3,26,00,37,393)**	**61,12,810**	(3,25,39,24,583)
Balance as at March 31, 2021	**63,000**	**93,00,00,000**	**1,00,20,00,000**	**(12,58,93,08,264)**	**5,76,24,994**	**(10,59,96,20,270)**

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

Capital Reserve: This reserve represents share application money received from allottees and forfeiture due to non payment with in due date as per terms of issue.

Securities premium reserve: This reserve represents the premium on issue of equity shares and can be utilised in accordance with the provisions of the Companies Act, 2013

General Reserve: General reserve is used for strengthening the financial position and meeting future contingencies and losses and in accordance with the provisions of the Companies Act, 2013

Retained Earnings: Retained earnings represents the cumulative profits/losses of the Company and effects of remeasurement of defined benefit plan obligations. It includes land revaluation amount of Rs. 55,35,92,679/- on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership Number: 220354

Hyderabad
June 30, 2021

For and on behalf of the Board of Directors

A.S. Rao
Executive Vice Chairman
DIN: 00899415

A. Naresh Kumar
Managing Director
DIN: 00112566

V.S.R.K Hanuman
Chief Financial Officer

Statement of Cash Flow for the Year Ended March 31, 2021

(Amounts in ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities:		
(Loss) before tax	**(3,26,00,37,393)**	**(3,10,76,11,427)**
Adjustments for:		
Depreciation and amortisation expense	42,30,53,209	44,81,39,425
Unrealised foreign exchange (gain)/loss (net)	(5,71,428)	18,54,768
Interest income from financial assets at amortised cost	(9,63,658)	(2,08,86,079)
Finance cost	2,81,23,16,949	1,91,77,73,191
Net (gain)/loss arising on investments mandatorily measured at Fair value through profit and loss	(7,58,429)	6,50,638
Expected Credit Loss	-	4,40,00,000
Credit balances written back	(6,07,94,339)	(6,77,78,143)
Debit balance written off	1,79,67,339	67,90,142
Bad debts written off	-	3,27,04,401
Operating Profit/ (Loss) before working capital changes	**(8,75,75,416)**	**(74,43,63,084)**
Adjustments for:		
Trade receivables and other assets	9,07,18,294	19,84,14,086
Inventories	9,68,37,625	50,16,50,484
Trade payables, other liabilities and provisions	(11,31,58,746)	2,28,93,638
Cash generated from operating activities	**(1,31,78,243)**	**(2,14,04,876)**
Income tax paid	1,01,65,450	47,46,526
Net cash inflow / (outflow) from operating activities	**(30,12,793)**	**(1,66,58,350)**
Cash flows from investing activities:		
Purchase of property, plant and equipment, Intangibles and capital work-in-progress	(51,36,938)	(11,06,556)
Restricted Balances with Banks (Refer Note 11.1)	(1,94,39,951)	-
Foreclosure of margin money deposits by scheduled banks	-	7,54,111
Interest received	7,69,902	2,33,97,592
Net cash inflow from investing activities	**(2,38,06,987)**	**2,30,45,147**
Cash flows from financing activities:		
Proceeds/(repayment) of long-term borrowings (net)	(18,44,926)	(62,49,859)
Proceeds/(repayment) of short-term borrowings (net)	1,66,71,10,978	1,10,41,35,032
Finance costs (Charged to Cash credit accounts)	(1,66,78,15,528)	(1,13,46,94,220)
Finance costs paid	-	(9,00,318)
Net cash (outflow) from financing activities	**(25,49,476)**	**(3,77,09,365)**
Net (decrease)/ increase in cash and cash equivalents	(2,93,69,256)	(3,13,22,568)
Cash and cash equivalents at the beginning of the year	3,27,53,633	6,40,76,201
Cash and cash equivalents at the end of the year (Refer -10)	**33,84,377**	**3,27,53,633**

Notes:

1. The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)-"Statement of Cash Flows".
2. Previous year figures have been regrouped /reclassified to conform to current year classification.
3. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

The accompanying notes are an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership Number: 220354

A.S. Rao
Executive Vice Chairman
DIN: 00899415

A. Naresh Kumar
Managing Director
DIN: 00112566

V.S.R.K Hanuman
Chief Financial Officer

Hyderabad
June 30, 2021

Notes to Financial Statements

1. Background

1.1 Sathavahana Ispat Limited (SIL), (the 'company') is a public limited company incorporated under the provisions of erstwhile Companies Act, 1956 having its registered office at Hyderabad in the state of Telangana, India. The Equity Shares of the Company are listed with Stock Exchanges in India viz., BSE Limited, Mumbai (Stock Code: 526093) and the National Stock Exchange of India Limited, Mumbai (Stock Code: SATHAISPAT").

1.2 'Sathavahana Ispat Limited (the Company) is engaged in the manufacture of ferrous products, Metallurgical Coke with Co-generation of Power. The ferrous products plant is in Anantapuram District of Andhra Pradesh and the Metallurgical Coke with Co-generation Power facility is in Bellary District, Karnataka. A major portion of Metallurgical Coke is captively used for manufacture of ferrous products. The Company's turnover is mainly from domestic markets.

1.3 The company has shut down the operations at ferrous products plant in Anantapuram district since June 12, 2017 due to the reasons as mentioned in note 33.

1.4 The Financial statements are approved for issue by the Company's Board of Directors on June 30, 2021.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

(iii) Current and non-current classification

An asset is classified as current, if

(i) It is expected to be realized or sold or consumed in the company's normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, if

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be settled within twelve months after the reporting period;

(iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments. Refer Note. 32 for segment information.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated expenses and taxes.

"Unallocated Expenses" include revenue and expenses that relate to costs attributable to the enterprise as a whole and are not attributable to segments.

2.3 Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income.

2.4 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are

- Estimation of defined benefit obligation [refer note: 21(a) (ii)]
- Estimation of expected credit loss on financial assets [refer note: 27(A)]
- Estimation of useful life of fixed assets [refer note: 2.6]
- Estimation of recognition of deferred tax assets for carried forward tax losses [Refer note. 25]
- Estimated utilisation, disposal values, and discount rates applied to future cash flows in testing of Impairment of non-financial assets [refer note 2.10]
- Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) [refer note: 27(D)]

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the company and that are believed to be reasonable under the circumstances.

2.5 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Transfer of risks and rewards vary depending on the individual terms of contract of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Revenue recognition is based on the terms and conditions as per the contracts entered into /understanding with the customers. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the Contract and applicable indirect taxes.

Dividend income

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other Income in the Statement of Profit and Loss.

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.6 Property, plant and equipment

Freehold land is carried at deemed cost. On transition to Ind AS, the company has elected the option of fair value as deemed cost of land as at April 01, 2016.All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is computed on a straight line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner prescribed in Schedule II of the Act.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.7 Intangible assets and amortization

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. These assets are amortised over a period of 3 years, which is based on their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

All intangible assets are tested for impairment. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

2.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the amount of proceeds, net of direct costs of the capital issue.

2.9 Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories.

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments

At amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

At fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using effective interest rate method. Foreign exchange gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

At fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income', there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Bank balances other than cash and cash equivalents:

Bank balances and other deposits with banks pledged or lien marked against bank guarantees and letters of credit issued by banks are treated as Margin Money.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction

costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.10 Impairment of assets

Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used

Non-financial assets

Property, plant & equipment and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined

on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.12 Inventories

(i) Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.

(ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.

(iii) Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(iv) Scrap is valued at net realisable value. Obsolete, defective and unserviceable inventories are duly provided for.

2.13 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.14 Leases

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the

incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measures reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, Contingent liabilities and contingent assets are reviewed at each balance sheet date

2.16 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at

the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes

(a) Defined benefit plans such as gratuity and;

(b) Defined contribution plans such as provident fund.

(c) State plans.

(a) Defined benefit plans - Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(c) State plans

Employer's contribution to Employees' State Insurance is charged to statement of profit and loss.

2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment property and is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.20 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose standalone financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are as follows:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assetunder development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

Notes to the Financial statements

Note 3 (i): Property, plant and equipment:

(Amounts in ₹)

	Freehold Land	Leased hold land	Freehold Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Data processing Equipment	Total	Capital work-in-progress
As at March 31, 2020										
Gross carrying amount										
Opening Gross carrying amount	56,73,15,629	3,31,42,622	93,00,60,751	9,28,27,67,845	89,59,389	9,00,54,342	1,77,57,942	1,00,66,581	10,94,01,25,100	33,29,70,437
Reclassification on account of adoption of IND AS 116	-	(3,31,42,622)	-	-	-	-	-	-	(3,31,42,622)	-
Additions	-	-	-	-	-	-	1,21,999	70,382	1,92,381	13,48,090
Closing gross carrying amount	56,73,15,629	-	93,00,60,751	9,28,27,67,845	89,59,389	9,00,54,342	1,78,79,941	1,01,36,963	10,90,71,74,859	33,43,18,527
Accumulated depreciation										
Opening accumulated depreciation	-	-	19,09,41,663	3,34,53,90,936	58,99,210	6,21,03,993	1,49,29,185	89,13,861	3,62,81,78,847	-
Depreciation charge during the year		-	2,58,33,793	41,43,20,226	5,51,981	60,74,711	11,06,642	2,52,072	44,81,39,425	
Closing accumulated depreciation	-	-	21,67,75,456	3,75,97,11,162	64,51,191	6,81,78,704	1,60,35,827	91,65,933	4,07,63,18,272	-
Net carrying amount	**56,73,15,629**	**-**	**71,32,85,295**	**5,52,30,56,683**	**25,08,198**	**2,18,75,638**	**18,44,114**	**9,71,030**	**6,83,08,56,587**	**33,43,18,527**
As at March 31, 2021										
Gross carrying amount										
Opening Gross carrying amount	56,73,15,629	-	93,00,60,751	9,28,27,67,845	89,59,389	9,00,54,342	1,78,79,941	1,01,36,963	10,90,71,74,860	33,43,18,527
Additions	-	-	-	-	-	-	-	34,957	34,957	-
Closing gross carrying amount	56,73,15,629	-	93,00,60,751	9,28,27,67,845	89,59,389	9,00,54,342	1,78,79,941	1,01,36,963	10,90,71,74,860	33,43,18,527
Accumulated depreciation										
Opening accumulated depreciation	-	-	21,67,75,456	3,75,97,11,162	64,51,191	6,81,78,704	1,60,35,827	91,65,933	4,07,63,18,272	-
Depreciation charge during the year			2,47,35,516	39,13,12,671	5,46,112	58,51,114	4,32,947	1,74,849	42,30,53,209	
Closing accumulated depreciation	-	-	24,15,10,972	4,15,10,23,833	69,97,303	7,40,29,818	1,64,68,774	93,40,782	4,49,93,71,481	-
Net carrying amount	**56, 73,15,629**	**-**	**68,85,49,779**	**5,13,17,44,012**	**19,62,086**	**1,60,24,524**	**14,11,167**	**8,31,138**	**6,40,78,38,336**	**33,43,18,527**

Note:

a) Capital work in progress mainly consist of cost incurred for the New Boiler at Kudithini Plant located in karnataka on which company alredy spent Substantial portion of budget of the total cost and pending capitalisation due to present tight cash flows faced by the company and plant to capitalise once restructuring of borrowing mentioned as mention in note no.33.

b) Refer Note 35 for information on property, plant and equipment pledged as security by the company.

Notes to the Financial statements

Note 3(ii): Right -of -use asset

(Amounts in ₹)

	As at March 31, 2021	As at March 31, 2020
Land		
Reclassification on account of adoption of IND AS 116 as at April 01,2019	3,31,42,622	33,142,622
Depreciation	-	-
Total	**3,31,42,622**	**3,31,42,622**

Note: Under the agreement with the KIADB, the title to the leased land vest with the lessor, and the Company shall take title to leased land at the end stipulated period subject to conditions provided in lease agreement and the company is expected to fulfil the conditions stipulated in the agreement.

Note 4: Intangible assets (Acquired):

	Computer Software
As at March 31, 2020	
Gross carrying amount	
Opening gross carrying amount	10,97,820
Additions	-
Closing gross carrying amount	**10,97,820**
Accumulated amortization	
Opening accumulated amortization	10,97,820
Amortization charge during the year	-
Closing accumulated amortization	**10,97,820**
Closing net carrying amount	**-**
As at March 31, 2021	
Gross carrying amount	
Opening Gross carrying amount	10,97,820
Additions	-
Closing gross carrying amount	**10,97,820**
Accumulated amortization	
Opening accumulated amortization	10,97,820
Amortization charge during the year	-
Closing accumulated amortization	**10,97,820**
Closing net carrying amount	**-**

Notes to the Financial statements

Note 5: Non-Current Investments:

(Amounts in ₹)

	March 31, 2021	March 31, 2020
(Quoted, fully paid up) **Investment in equity instruments (at FVTPL)**		
IDBI Bank Ltd 10,720 (March 31, 2020 -10,720) Equity shares of Rs.10/- each, fully paid (formerly Industrial Development Bank of India)	4,13,256	2,06,896
IFCI Ltd 10,000 (March 31, 2020-10,000) Equity shares of Rs.10/- each, fully paid	1,20,300	40,700
State Bank of India 1,980 (March 31, 2020-1,980) Equity shares of Rs.10/- each, fully paid (formerly State Bank of Travancore)	7,21,413	3,89,961
Total (equity instruments)	**12,54,969**	**6,37,557**
(Unquoted, fully paid up) **Investment in Mutual Funds (at FVTPL)**		
SBI Mutual Fund 5,000 (March 31, 2020-5,000) Units of Rs.10/- each, fully paid	2,58,958	1,48,750
Canara Robeco Mutual Fund 22,673 (March 31, 2020: 22,673) Units of Rs.10/- each, fully paid	4,59,925	4,29,115
Total (Mutual Funds)	**7,18,883**	**5,77,865**
Total Non-current investments	**19,73,852**	**12,15,422**
Aggregate amount and market value of unquoted investments Aggregate amount and market value of quoted investments Aggregate amount of Impairment in value of Investments	7,18,883 12,54,969 -	5,77,865 6,37,557 -

Note 6: Other non-current financial assets:

	March 31, 2021	March 31, 2020
Unsecured, Considered good		
Deposits with public bodies and others (Refer Note-36)	1,71,28,983	1,71,30,527
Keyman insurance and benefits thereon receivable (Refer note below)	-	3,40,81,816
Total other non-current financial assets	**1,71,28,983**	**5,12,12,343**

Note: During the year the company has assigned the Key Man Insurance Policies to respective employees by the management of the company as per Board resolution accordingly an amount of Rs. 3,40,81,816/- accounted as Employee Benefit Expense which is classified as other financial assets previously.

Notes to the Financial statements

Note 7 : Other assets:

i) Non-current

(Amounts in ₹)

	March 31, 2021	March 31, 2020
Capital advances		
- Considered good (Refer Note-36)	1,74,00,846	1,74,09,074
- Considered doubtful	97,54,976	97,54,976
Less: Provision for doubtful advances	(97,54,976)	(97,54,976)
Advances other than capital advances:		
Taxes paid under protest against legal cases		
- Considered good	4,61,57,008	5,15,59,181
- Considered doubtful	54,02,173	54,02,173
Less: Provision for doubtful deposits	(54,02,173)	(54,02,173)
Pre-paid expenses	16,11,622	17,97,356
Prepaid taxes (Net of provision for taxation)	2,55,89,379	3,57,54,830
Total other non-current assets	**9,07,58,855**	**10,65,20,441**

ii) Current:

	March 31, 2021	March 31, 2020
(Unsecured)		
Advances other than capital advances:		
Security Deposits		
- Considered good	6,00,785	6,00,785
- Considered doubtful	1,73,000	1,73,000
Less: Provision for doubtful deposits	(1,73,000)	(1,73,000)
Balance with government authorities		
- Considered good	10,81,45,209	11,43,89,843
Prepaid expenses	13,30,071	15,16,673
Advances to suppliers (Refer Note-36)	7,50,63,023	6,49,54,664
Other advances and receivable		
- Considered good	58,11,941	60,39,710
- Considered doubtful	16,81,500	16,81,500
Less: Provision for doubtful deposits	(16,81,500)	(16,81,500)
Total other current assets	**19,09,51,029**	**18,75,01,675**

Note 8: Inventories (Valued at cost and net realisable value whichever is lower):

(Amounts in ₹)

	March 31, 2021	March 31, 2020
Raw materials	4,65,58,880	7,43,39,733
Work-in-progress	4,27,46,777	6,55,67,946
Finished goods	2,90,76,375	7,22,05,335
Stores and spares	9,50,99,257	9,82,05,900
Scrap (at net realisable value)	1,49,298	1,49,298
Total inventories (Refer Note-39)	**21,36,30,587**	**31,04,68,212**

i) Refer Note 35 for information on inventories pledged as security by the company.

Notes to the Financial statements

Note 9: Trade receivables:

	March 31, 2021	March 31, 2020
Trade Receivables (Refer Note- 36)	60,08,06,885	65,54,74,711
Less: Expected credit loss (Refer note 27(A)	(22,34,80,630)	(22,34,80,630)
Total trade receivables	**37,73,26,255**	**43,19,94,081**

(i) : Break-up of security details:

	March 31, 2021	March 31, 2020
Considered good- Secured	-	-
Considered good- Unsecured	37,73,26,255	43,19,94,081
Which have significant increase in credit risk	22,34,80,630	22,34,80,630
Credit impaired	-	-
Total	60,08,06,885	65,54,74,711
Expected credit loss (Refer note 27 (A)	(22,34,80,630)	(22,34,80,630)
Total trade receivables	**37,73,26,255**	**43,19,94,081**

ii) Refer Note 35 for information on trade receivables pledged as security by the company.

Note 10: Cash and cash equivalents:

	March 31, 2021	March 31, 2020
Balances with banks		
-in current accounts	33,58,198	3,27,03,262
Cash on hand	26,179	50,371
Total cash and cash equivalents	**33,84,377**	**3,27,53,633**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 11: Bank balances other than cash and cash equivalents: (Amounts in ₹)

	March 31, 2021	March 31, 2021
Margin money deposits with Banks	33,13,747	31,19,991
Restricted Balances with Banks	1,94,39,951	-
Total Bank balances other than cash and cash equivalents	**2,27,53,698**	**31,19,991**

Note 11.1: Restricted balances are the balances in Escrow account with banks . Currently management submitted withdrawal requests which are pending before banks, management estimates no provision required to be accounted for against these balances. In line with Indian Accounting standard (Ind AS- 7) read with Schedule III-Division II, these balances are reclassified as other Bank balances from previous year classification of cash and cash equivalents.

Notes to the Financial statements

Note12 : Equity share capital

Authorised equity share capital:

	Number of shares	Amount
As at April 01, 2019	6,00,00,000	60,00,00,000
Change during the year	-	-
As at March 31,2020	6,00,00,000	60,00,00,000
Change during the year	-	-
As at March 31, 2021	**6,00,00,000**	**60,00,00,000**

(i) Reconciliation of number of shares outstanding:

Issued, Subscribed and Paid up Equity Share Capital	**Number of shares**	**Amount**
As at April 01, 2019	5,09,00,000	50,90,00,000
Change during the year	-	-
As at March 31,2020	5,09,00,000	50,90,00,000
Change during the year	-	-
As at March 31, 2021	**5,09,00,000**	**50,90,00,000**

ii) Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of Rs.10 per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) Details of shareholders holding more than 5% equity shares in the company:

	March 31, 2021		March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
PROMOTER GROUP				
Smt A. Mutya Bai	47,56,831	9.35%	47,56,831	9.35%
Shri A. Ashok Kumar	33,19,110	6.52%	33,19,110	6.52%
Shri A. Naresh Kumar	37,29,105	7.33%	35,19,105	6.91%
Ganapati Adusumilli Fininvest Private Limited	42,00,000	8.25%	42,00,000	8.25%
Ganapathi Holdings Pte Limited	25,20,000	4.95%	25,20,000	4.95%
OTHER THAN PROMOTER GROUP				
KCP Holdings PTE Limited	28,00,000	5.50%	-	-
Rescom Minerals Private Limited	-	-	28,00,000	5.50%
One Earth Capital Limited	55,76,316	10.96%	55,76,316	10.96%

As per records of the Company, the above shareholding represents legal ownership of shares.

Notes to the Financial statements

Note 13: Borrowings

(Amounts in ₹)

(i): Non-current

	March 31, 2021	March 31, 2020
(Secured- At Amortised Cost)		
Term Loans:		
i . From Banks	2,98,77,26,436	2,98,77,26,437
ii. From IFCI Limited	81,41,95,455	81,41,95,455
iii. From Banks- Vehicle loans	7,76,287	26,21,212
Total	**3,80,26,98,178**	**3,80,45,43,104**
Less: Current maturities of long-term debt (Refer note v below)	3,80,26,98,178	3,28,28,49,284
Less: Unamortised upfront fees and other borrowing Cost	-	48,22,716
Total Non-current borrowings	**-**	**51,68,71,104**

Secured borrowings and assets pledged as security

i. Term Loan borrowings from banks are secured by first mortgage and charge on entire fixed assets, both present and future, and second charge on current assets and guaranteed by two Promoter Directors of the Company. The Principal amount on these term loans are generally repayable in 32 equated quarterly instalments after moratorium period of one year with interest payable on monthly rests. The interest rates vary from 12.5% to 13.75% p.a. Borrowing from IFCI Limited is secured by first mortgage and charge on immovable properties including movable assets, both present and future, ranking pari passu with the existing lenders and guaranteed by one Promoter Director of the Company and further secured by pledge of twenty five percent of equity shares held by the promoters in the company. The borrowing from IFCI Limited is repayable in sixteen equated quarterly instalments after a moratorium period of one year from the date of first disbursement with interest 13.55% payable on monthly rests.

ii. The period of maturity with reference to five term Loan Borrowings from Balance Sheet date are: (a) Loan 3 comprises of 7 quarterly instalments of ₹ 85625000/- each, and 1 quarterly instalment of ₹ 98,73,486/- (b) Loan 4 comprises of 8 quarterly instalments of ₹ 42000000/- each and 1 quarterly instalment of ₹ 14653832/-, and 7 quarterly instalments of ₹ 18000000/- each and 1 quarterly instalment of ₹ 17980366/- (c) Loan 5 comprises of 3 quarterly instalments of ₹ 56250000/- each.

iii. Other loans from banks and other party are on hypothecation of assets and guaranteed by the Managing Director of the Company. These loans are mostly repayable in 36 equated monthly instalments including interest. The interest rates vary from 9.50% to 11.5% p.a. The future maturities from the Balance Sheet date comprises (a) loan 2 comprises Two instalments of ₹ 93012/- each (b) loan 3 comprises Four instalments of ₹ 20112/-each; (c) loan 4 comprises Three instalments of ₹ 14799/- each and (d) loan 5, One instalment of ₹ 465418/-. All instalments includes interest.

iv. The above borrowings and interest due thereon have not been paid as on balance sheet date are stated below:

v. Refer note 35 for information on financial and non-financial assets pledged as security for the above borrowings.

vi. Refer note 42 for information on the Events after the Reporting date.

Notes to the Financial statements

(ii): Current (Amounts in ₹)

	March 31, 2021	March 31, 2020
Secured-Payable on demand		
Working capital loans from banks	9,66,21,58,273	7,99,50,47,295
Total current borrowings	**9,66,21,58,273**	**7,99,50,47,295**

Secured borrowings and assets pledged as security

i) Working capital loans from banks are secured by first charge on the entire current assets and further secured by second charge on entire fixed assets of the Company and guaranteed by two Promoter Directors of the Company. The rate of interest on working capital loans varies from 14.50% to 15.25% p.a.

ii) Refer note 35 for information on financial and non-financial assets pledged as security for the above borrowings.

iii) Refer note 42 for information on the Events after the Reporting date.

Defaults in repayment of Long Term Borrowings and interest thereon which are paid and unpaid as at balance sheet date:

	March 31, 2021		March 31, 2020	
Defaults- Unpaid as at year end				
From State Bank of India				
-Principal	1-1462 Days	77,82,96,471	1-1097 Days	60,38,96,471
-Interest	1-1461 Days	79,67,32,103	1-1096 Days	43,32,99,147
From Andhra Bank				
-Principal	1-1462 Days	71,16,43,795	1-1097 Days	53,71,43,795
-Interest	1-1461 Days	64,64,04,343	1-1096 Days	44,79,09,462
From Canara Bank				
-Principal	59-1461 Days	97,64,03,487	59-1096 Days	74,28,03,487
-Interest	59-1520 Days	85,59,85,743	59-1155 Days	58,28,78,415
From IFCI Limited				
-Principal	60-1431 Days	81,41,95,455	60-1066 Days	64,54,45,455
-Interest	60-1431 Days	80,82,00,771	60-1066 Days	51,46,03,205
Total		**6,38,78,62,168**		**4,50,79,79,437**
Grand Total		**6,38,78,62,168**		**4,50,79,79,437**

Defaults in working capital borrowings:

	Fund based limit (Sanctioned)	Balance as at March 31, 2021 (Refer note I below)	Overdrawn balance as at March 31, 2021	Overdrawn balance as at March 31, 2020
From Canara Bank	26,40,00,000	3,74,20,14,655	3,47,80,14,655	2,40,81,11,970
From State Bank of India	40,20,00,000	3,03,11,39,072	2,62,91,39,072	1,64,81,79,674
From Andhra Bank	26,40,00,000	2,88,90,04,546	2,62,50,04,546	1,90,46,20,619
Total	**93,00,00,000**	**9,66,21,58,273**	**8,73,21,58,273**	**5,96,09,12,263**

Notes to the Financial statements

(Amounts in ₹)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	March 31, 2021	March 31, 2020
Opening balance of borrowings	11,79,95,90,399	10,70,17,05,226
Add: Proceeds from non current borrowings	-	-
Less: Repayments of non current borrowings	(18,44,926)	(62,49,859)
Proceeds/ (repayment) from current borrowings*	1,66,71,10,978	1,10,41,35,032
Closing balance of borrowings	**13,46,48,56,451**	**11,79,95,90,399**

* mainly on account of interest accrued.

Note 14: Provisions:

	March 31, 2021	March 31, 2020
Defined benefit obligations		
(i) Non- Current		
Gratuity (Refer Note :21(a)(ii))	1,49,58,651	1,80,23,234
Leave encashment	22,69,547	20,41,248
Total	**1,72,28,198**	**2,00,64,482**
(ii) Current		
Gratuity (Refer Note :21(a)(ii))	20,23,548	27,58,623
Leave encashment	6,36,219	5,15,521
Total	**26,59,767**	**32,74,144**

Note 15: Other current financial liabilities:

	March 31, 2021	March 31, 2020
Current		
Current maturities of long-term borrowings	3,80,26,98,178	3,28,28,49,284
Less: Unamortised upfront fees and other borrowing Cost	(23,02,042)	-
Interest accrued		
Due for payment	3,10,73,22,960	1,97,86,90,229
Not due for payment	5,04,87,343	3,94,41,369
Creditors for other liabilities		
Creditors for capital works (Refer Note: 40)	3,56,74,915	4,07,76,896
Employee benefits payable	9,28,64,670	11,41,79,748
Creditors for expenses	16,55,04,038	21,54,93,110
Total other financial liabilities	**7,25,22,50,062**	**5,67,14,30,636**

Note 16: Other current liabilities:

	March 31, 2021	March 31, 2020
Statutory liabilities (Refer note 37)	11,05,80,126	10,83,39,226
Advance from customers (Refer Note 38)	6,23,50,638	86,64,817
Total other current liabilities	**17,29,30,764**	**11,70,04,043**

Notes to the Financial statements

Note 17: Revenue from operations:

(Amounts in ₹)

	March 31, 2021	March 31, 2020
Revenue from contracts with customers		
Sale of products	18,64,73,570	2,67,37,32,596
Sale of services	8,11,34,923	5,32,13,132
	26,76,08,493	**2,72,69,45,728**
Other operating revenue:		
Sale of scrap out of manufacturing process	41	20,17,245
Total revenue from operations	**26,76,08,534**	**2,72,89,62,973**

Reconciliation of revenue recognised with the contract price:

	March 31, 2021	March 31, 2020
Contract price	27,50,81,549	2,73,51,12,770
Less: Reductions towards variable consideration components	(74,73,015)	(61,49,797)
Total revenue from operations	**26,76,08,534**	**2,72,89,62,973**

Note: The reduction towards variable consideration comprises of volume discounts and other charges.

Information about major customers:

Four customers represents 10% or more of the Company's total revenue during the year ended March 31, 2021 and two customers represents 10% or more of the Company's total revenue during the year ended March 31, 2020.

Note 18: Other income:

	March 31, 2021	March 31, 2020
Interest income from financial assets at amortised cost	9,63,658	2,08,86,079
Net gain on foreign currency transactions and translations	5,71,428	-
Net gain on sale of investments mandatorily measured at FVTPL	7,58,429	-
Sale of other scrap	70,57,206	16,99,567
Credit balances written back	6,07,94,339	6,77,78,143
Provision no longer required written back	3,06,45,054	-
Other non-operating income	55,98,642	12,28,695
Total other income	**10,63,88,756**	**9,15,92,484**

Note 19: Cost of raw materials consumed:

	March 31, 2021	March 31, 2020
Opening Stock	7,43,39,733	34,77,29,423
Add: Purchases	5,26,64,945	2,55,30,01,618
Less: Closing Stock	4,65,58,880	7,43,39,733
Total cost of raw materials consumed	**8,04,45,798**	**2,82,63,91,308**

Notes to the Financial statements

Note 20: Changes in inventories of finished goods, work-in-progress and scrap: (Amounts in ₹)

	March 31, 2021	March 31, 2020
Opening Balance:		
Finished goods	7,22,05,335	24,88,23,715
Work-in-progress	6,55,67,946	12,51,11,485
Scrap	1,49,298	1,49,296
	13,79,22,579	**37,40,84,496**
Closing Balance:		
Finished goods	2,90,76,375	7,22,05,335
Work-in-progress	4,27,46,777	6,55,67,946
Scrap	1,49,298	1,49,298
	7,19,72,450	**13,79,22,579**
Total changes in inventories of finished goods, work-in-progress and scrap	**6,59,50,129**	**23,61,61,917**

Note 21: Employee benefits expense:

	March 31, 2021	March 31, 2020
Salaries, wages, bonus and other allowances	7,26,91,157	17,35,86,148
Contribution to provident fund and other funds	22,13,319	76,54,531
Contribution to ESI	5,25,449	20,39,880
Staff welfare expenses	3,51,19,419	28,89,989
Total employee benefits expense	**11,05,49,344**	**18,61,70,548**

Note 21(a):

(I) Defined Contribution plans:

Employer's Contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employer's Contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the rate of 4.75%. The Contributions are made to Employee State Insurance Corporation(ESI) to the respective State Governments of the Company's location. this Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

	March 31, 2021	March 31, 2020
Employer’s Contribution to Provident Fund	22,13,319	76,54,531
Employer’s Contribution to ESI	5,25,449	20,39,880

Notes to the Financial statements

(Amounts in ₹)

(ii) Defined Benefits plans:

(i) Post-employment obligations- Gratuity:

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day's salary multiplied for the number of years of service. The gratuity plan is an unfunded plan. The company's liability with regard to this plan is determined based on actuarial valuation.

A) Reconciliation of opening and closing balances of defined benefit obligation:

	Gratuity (Unfunded)	
	March 31, 2021	**March 31, 2020**
Defined benefit obligation at beginning of the year	2,07,81,857	4,19,22,415
Current Service Cost	10,19,504	16,50,566
Interest Cost	13,87,178	31,42,940
Actuarial (Gain)	(61,12,810)	(2,42,57,602)
Benefits Paid	(93,530)	(16,76,462)
Defined Benefit Obligation at year end	1,69,82,199	2,07,81,857

B) Expenses recognised during the year:

	Gratuity (Unfunded)	
	March 31, 2021	**March 31, 2020**
In Income Statement		
Current Service Cost	10,19,504	16,50,566
Interest Cost	13,87,178	31,42,940
Net Cost	**24,06,682**	**47,93,506**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(61,12,810)	(2,42,57,602)
Net (Income)/ Expense For the period Recognised in OCI	**(61,12,810)**	**(2,42,57,602)**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2021	**March 31, 2020**
Discount rate	6.86%	6.69%
Salary growth rate	5%	5%
Withdrawal Rate	1%-10%	1%-10%
Retirement Age	58 Years	58 Years
Adjusted Average Future Services	11.37	11.98
Mortality Table(IALM)	2012-14	2012-14

Notes to the Financial statements

(Amounts in ₹)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	March 31, 2021	March 31, 2020
Defined Benefit Obligation	1,69,82,199	2,07,81,857
Discount rate:		
Increase : +1%	1,58,63,329	1,93,73,085
Decrease: -1%	1,82,47,901	2,23,95,357
Salary Growth rate:		
Increase : +1%	1,82,25,095	2,24,17,985
Decrease: -1%	1,58,26,748	1,92,56,712
Withdrawal rate:		
Increase : +1%	1,71,17,164	2,09,38,335
Decrease: -1%	1,68,32,329	2,06,05,654

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions:

The weighted average duration of the defined benefit obligation is 10.61 years. The expected cash flows over the next years is as follows:

Particulars	March 31, 2021	March 31, 2020
Defined benefit obligation-gratuity		
Less than a year	20,23,547	27,58,623
Between 2-5 years	49,23,422	56,97,837
Over 6 years	1,09,64,367	1,17,97,288

Risk Management

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Note 22: Finance costs:

	March 31, 2021	March 31, 2020
Interest and finance charges on financial liabilities carried at amortized cost	2,81,23,16,949	1,91,68,72,873
Other borrowing costs	-	9,00,318
Total finance costs	**2,81,23,16,949**	**1,91,77,73,191**

Notes to the Financial statements

(Amounts in ₹)

During the year, management of the company accounted Rs. 68,02,83,251/- as interest expense (after reconciling with lender banks) with respect to the penal charges for non payment loans and interest.

Note 23: Depreciation and amortisation expense:

	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	42,30,53,209	44,81,39,425
Amortization of intangible assets	-	-
Total depreciation and amortization expense	**42,30,53,209**	**44,81,39,425**

Note 24: Other expenses:

	March 31, 2021	March 31, 2020
Power and fuel	3,46,71,838	2,15,40,748
Consumption of stores and spare parts	1,13,09,283	2,31,62,398
Operation and maintenance charges	-	70,95,849
Rent	38,68,718	38,60,885
Repairs		
- Buildings	4,61,077	9,56,778
- Machinery	3,15,93,162	6,30,39,380
- Others	4,29,901	3,48,864
Insurance	62,78,818	82,59,979
Rates and taxes, excluding taxes on income	44,68,071	42,29,520
Legal and Professional charges	1,25,68,436	1,73,85,155
Payments to Auditors (Refer note 24 (a)	18,62,700	18,79,252
Directors sitting fee	4,83,000	5,70,000
Printing and stationery	1,67,357	7,09,315
Communication expenses	4,86,247	10,76,708
Travelling and conveyance	27,79,015	88,11,072
Vehicle maintenance	11,23,984	33,48,635
Bad debts written off	-	3,27,04,401
Expected credit loss (net)	-	4,40,00,000
Net loss arising on investments mandatorily measured at FVTPL	-	6,50,638
Carriage and freight	6,84,894	27,36,142
Bank Charges	19,55,496	11,20,410
Commission on sales	1,69,582	1,95,89,298
Net loss on foreign exchange fluctuations	-	18,54,768
Equipment hire charges	69,44,426	1,13,35,964
Debit Balances written off	1,79,673	67,90,142
Security expenses	98,08,507	1,00,46,017
Miscellaneous expenses	94,25,069	1,64,28,177
Total other expenses	**14,17,19,254**	**31,35,30,495**

Notes to the Financial statements

(Amounts in ₹)

Note 24(a): Details of payments to auditors:

	March 31, 2021	March 31, 2020
Payment to auditors		
As auditor		
As Statutory Auditor	6,00,000	6,00,000
For Quarterly Reviews	6,00,000	6,00,000
In other capacities		
For Certifications	1,60,000	3,47,000
For GST Attestation services	5,00,000	2,50,000
Re-imbursement of expenses	2,700	82,252
Total payments to auditors	**18,62,700**	**18,79,252**

Note 24(b): Corporate Social Responsibility (CSR):

In terms of provisions of sub section 5 to section 135 of the Companies Act, 2013 the company is not required to earmark any fund for corporate social responsibility activities in view of past losses.

Note 25: Income tax expense:

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	March 31, 2021	March 31, 2020
(a) Income tax expense		
Current tax on profits for the year	-	-
Deferred tax	-	-
Income tax expense	**-**	**-**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2021	March 31, 2020
(Loss) from operations before tax	(3,26,00,37,393)	(3,10,76,11,427)
Tax at the Indian tax rate of 31.2% (2019-20 -31.2%)	**-**	**-**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-
Expenses not allowed for tax purpose	-	-
Tax effect due to non-taxable income	-	-
Income tax expenses	**-**	**-**

Notes to the Financial statements

(Amounts in ₹)

Deferred Tax:

In the absence of reasonable certainty Company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability. In the absence of probable tax profits against which the same can be utilised. Company is incurring losses since four years and doesn't expect the future taxable income in the near future.

	March 31, 2021	March 31, 2020
Deferred tax liability	1,32,25,16,918	1,18,43,44,674
Deferred tax asset	(1,32,25,16,918)	(1,18,43,44,674)
Net Deferred tax Liability /(Asset)	**-**	**-**

Movement in Deferred tax assets:

	Property, plant and equipment	Fair valuation of land	Other deferred tax liabilities	Tax losses	Other deferred tax assets	Total
As at March 31, 2019	**1,02,20,99,423**	**12,14,43,963**	**1,32,53,975**	**(1,10,23,32,076)**	**(5,44,65,285)**	**-**
Charged/(credited):						
- to profit or loss	2,83,75,227	2,87,848	(11,15,762)	65,38,94,529	(68,14,41,842)	-
- to other comprehensive income						
As at March 31, 2020	**1,05,04,74,650**	**12,17,31,811**	**1,21,38,213**	**(44,84,37,547)**	**(73,59,07,127)**	**-**
Charged/(credited):						
- to profit or loss	14,92,08,424	3,83,796	(1,14,19,976)	21,32,24,008	(35,13,96,252)	-
- to other comprehensive income						
As at March 31, 2021	**1,19,96,83,074**	**12,21,15,607**	**7,18,237**	**(23,52,13,539)**	**(1,08,73,03,379)**	**-**

Unused tax losses and unused tax credits for the purposes of deferred tax :

Unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	March 31, 2021	March 31, 2020
Unused tax losses	2,14,56,00,959	1,45,07,03,397
Unabsorbed tax depreciation	5,76,35,70,833	5,29,15,65,452
Mat credit entitlement	58,73,857	58,73,857
	7,91,50,45,649	6,74,81,42,706
Potential tax benefit @ 31.20 %	**2,46,94,94,242**	**2,10,54,20,524**

The following table details the expiry of the unused tax losses:

	March 31, 2021	March 31, 2020
Unused tax losses		
Less then 5 years	-	-
Less then 6 years	1,28,16,92,998	59,82,82,716
Less then 7 years	18,23,01,125	18,23,01,125
Less then 8 years	68,16,06,836	67,01,19,556
	2,14,56,00,959	**1,45,07,03,397**

Notes to the Financial statements

(Amounts in ₹)

Note:

i) In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation taws (Amendment) Act, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit and carry forwarded loss. The Company has not opted for this option after evaluating the same and continues to recognize the taxes on income as per the earlier provisions.

ii) Unabsorbed tax depreciation does not have any expiry period under the Income Tax Act, 1961.

iii) Mat Credit Entitlement will be carried forward up to the Assessment year 2025-26 under the Income Tax Act, 1961.

Financial Instruments and Risk Management:

Note 26:Fair value Hierarchy:

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Note:

(i) The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances, trade receivables and other financial assets are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

Notes to the Financial statements

(Amounts in ₹)

Categories of financial instruments:

Particulars	Notes	Level	March 31,2021		March 31,2020	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets:						
a) Measured at amortised cost (AC)						
Cash and cash equivalents	10	3	33,84,377	33,84,377	3,27,53,633	3,27,53,633
Other bank balances	11	3	2,27,53,698	2,27,53,698	31,19,991	31,19,991
Trade receivables	9	3	37,73,26,255	37,73,26,255	43,19,94,081	43,19,94,081
Other financial assets	6	3	1,71,28,983	1,71,28,983	5,12,12,343	5,12,12,343
Total financial assets at AC			**42,05,93,313**	**42,05,93,313**	**51,90,80,048**	**51,90,80,048**
b) Measured at Fair value through Profit and loss (FVTPL)						
Non Current Investments	**5**					
a) Unquoted mutual funds		2	7,18,883	7,18,883	5,77,865	5,77,865
b) Investment in equity instruments		1	12,54,969	12,54,969	6,37,557	6,37,557
Total Financial assets at FVTPL			**19,73,852**	**19,73,852**	**12,15,422**	**12,15,422**
B. Financial liabilities:						
a) Measured at amortised cost						
Trade payables		3	67,66,00,327	67,66,00,327	83,61,07,517	83,61,07,517
Borrowings	13	3	9,66,21,58,273	9,66,21,58,273	8,51,19,18,399	8,51,19,18,399
Other financial liabilities	15	3	7,25,22,50,062	7,25,22,50,062	5,67,14,30,636	5,67,14,30,636
Total financial liabilities at AC			**17,59,10,08,662**	**17,59,10,08,662**	**15,01,94,56,552**	**15,01,94,56,552**

Note 27: Financial Risk Management:

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments. Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate) which may adversely impact the fair value of its financial instruments.

(A) Credit Risk:

Credit risk is the risk or potential of loss that may occur due to failure of counter party to meet the obligation on agreed terms and conditions of the financial contract. Credit risk arises from financial assets such as cash and cash equivalents, trade receivables and other financial assets. Management of the Company monitors exposure to credit risk on an ongoing basis at various levels.

a) Trade receivables:

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively based on historical data and payment statistics. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The ageing analysis of the trade receivables (gross of provisions) has been considered from the date the invoice :

Notes to the Financial statements

(Amounts in ₹)

Particulars	March 31, 2021	March 31, 2020
< 180 days	2,80,32,227	4,75,85,455
181-365 Days	11,11,584	2,65,05,807
> 365 Days	57,16,63,074	58,13,83,449
Total	**60,08,06,885**	**65,54,74,711**
Less: Expected credit loss	22,34,80,630	22,34,80,630
Net trade receivables	**37,73,26,255**	**43,19,94,081**

Following are the Expected credit loss (Calculated at lifetime expected credit losses for the year) for trade receivables under simplified approach:

Particulars	March 31, 2021	March 31, 2020
Expected credit loss		
Opening Balance	22,34,80,630	17,94,80,630
Provision made/(reversed) during the year	-	7,67,04,401
Less: Bad debts written off	-	(3,27,04,401)
Closing Balance	22,34,80,630	22,34,80,630

b) Cash and cash equivalents and other financial assets:

All cash equivalents and other bank balances are carried at fair value. Cash and cash equivalents are deposited with financial institutions that management believes are of high credit quality and accordingly, minimal credit risk exists. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on. Refer Note 29 (I).

B) Liquidity Risk

(a) Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(b) However, in view of various unfavourable factors as set out in Note 33, the Company has been experiencing stressed liquidity condition. In order to overcome such situation, the Company has been taking measures to ensure that the Company's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Company's operations. As discussed in the aforesaid note management believes deep restructuring plan will be considered by consortium of bankers, accordingly Term loans had been disclosed as per terms of present loan covenants with bankers until the revised restructure finalised by the bankers.

Year ended March 31, 2021

Particulars	<1 Year	1-3 Years	> 3 Years	Total
Financial liabilities:				
Long term borrowings	3,80,26,98,178	-	-	3,80,26,98,178
Short term borrowings	9,66,21,58,273	-	-	9,66,21,58,273
Trade Payables	67,66,00,327	-	-	67,66,00,327
Other financial liabilities	3,44,95,51,884	-	-	3,44,95,51,884
Total financial liabilities	**17,59,10,08,662**	**-**	**-**	**17,59,10,08,662**

Notes to the Financial statements

(Amounts in ₹)

Year ended March 31, 2020

Particulars	<1 Year	1-3 Years	> 3 Years	Total
Financial liabilities:				
Long term borrowings	3,28,28,49,284	51,68,71,104	-	3,79,97,20,388
Short term borrowings	7,99,50,47,295	-	-	7,99,50,47,295
Trade Payables	83,61,07,517	-	-	83,61,07,517
Other financial liabilities	2,38,85,81,352	-	-	2,38,85,81,352
Total financial liabilities	**14,50,25,85,448**	**51,68,71,104**	**-**	**15,01,94,56,552**

(C) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL Investments.

• Interest Rate Risk

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company policy is to obtain favourable interest rates available. The Company is significantly exposed to interest rate risks that relates primarily to interest bearing financial liabilities.

Interest rate risk is managed by the company with primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

Interest Rate risk- Sensitivity analysis

An increase / decrease of 50 basis points in the interest rate at the end of the reporting period for the variable financial instruments would (decrease)/ increase profit after taxation for the year by the amounts shown below.

Particulars	March 31, 2021	March 31, 2020
Total Floating rate borrowings	13,46,48,56,451	11,79,47,67,683
Increase in interest rate basis points by 50	6,73,24,282	5,89,73,838
Decrease in interest rate basis points by 50	(6,73,24,282)	(5,89,73,838)

• Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency which is not material.

i) Foreign Currency Risk - Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The analysis is based on the assumption that the Foreign Currency has increased/(decreased) by 2. 5% with all other variables held constant.

Notes to the Financial statements

(Amounts in ₹)

Unhedged foreign currency exposure as at the reporting date:	March 31, 2021	March 31, 2020
Currency	Payable for supply and services	Payable for supply and services
USD (In number)	3,01,545	3,01,545
Equivalent Amount in Indian Currency	2,22,45,009	2,28,16,437

2.5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

Particulars	March 31, 2021	March 31, 2020
USD	5,56,125	5,70,411

(D) Other price risk

Impact of COVID-19

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2021.

The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Commodity Risk

Commodity price risk is the threat that a change in the price of a production input will adversely impact a producer who uses that input. Factors that can affect commodity prices include political and regulatory changes, seasonal variations, weather, technology and market conditions.

The company has commodity price risk, primarily related to the purchases of coal, iron ore and the management monitors its purchases closely to optimise the price. However, in case of power segment the management do not bear significant exposure to earnings risk, as such changes are included in the rate-recovery mechanisms with the customers.

Our company is basically engaged in Ductile Iron Pipe Market and the company's turnover depends on the market risk of price volatility of the these products. The prices of the Ductile Iron pipe are determined by the market factors. The revenue/price of the DI Pipe products of the company are basically impacted by the cost of raw material inputs, production cost, and international and regional market conditions. Any positive and negative changes in any of the above factors can increase and reduce the revenue of the company generated from such products.

Note 28: Capital Management:

The fundamental goal of capital management are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and - maintain an optimal capital structure to reduce the cost of capital. For the purpose of company's capital management, capital includes issued capital and all other equity reserves.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

However in view of certain adverse factors and challenges being faced by the Company over past few years as explained in Note 33, the net worth of the Company has been eroded and the Company has initiated certain measures/been actively engaging with the lenders/JCFARC for restructuring of its debts at sustainable level and thereby continuing to operate as a going concern. The Company has not declared any dividend since financial year 2010-11.

Notes to the Financial statements

(Amounts in ₹)

The Company monitors the capital structure on the basis of total debt to equity ratio :

Particulars	March 31, 2021	March 31, 2020
Net Debt	16,59,65,28,679	13,77,70,25,657
Total Equity	(10,09,06,20,270)	(6,83,66,95,687)
Total Capital (Net Debt+ Total Equity)	**6,50,59,08,409**	**6,94,03,29,970**
Gearing ratio (Net Debt to total capital Ratio)	**255%**	**199%**

Net debt is as follows:

Particulars	March 31, 2021	March 31, 2020
A) Total borrowings		
Non-current borrowings	-	51,68,71,104
Current borrowings	9,66,21,58,273	7,99,50,47,295
Current Maturity of long term debt	3,80,26,98,178	3,28,28,49,284
Interest Accrued	3,15,78,10,303	2,01,81,31,598
Total(A)	**16,62,26,66,754**	**13,81,28,99,281**
B) Cash and cash equivalents	33,84,377	3,27,53,633
Bank balances other than cash and cash equivalents	2,27,53,698	31,19,991
Total(B)	**2,61,38,075**	**3,58,73,624**
C) Net Debt (A-B)	**16,59,65,28,679**	**13,77,70,25,657**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit certain banks to immediately call loans and borrowings. The Company has delayed in repayment of dues to banks and financial institutions during the year. (Refer note no :13)

Note 29: Contingent Liabilities :

Particulars	March 31, 2021	March 31, 2020
i) Claims against the company not acknowledged as debt	8,61,63,408	7,07,15,299
iii) Taxes and duty demands contested by the company:		
Central excise	2,53,99,502	2,53,99,502
Commercial Taxes	11,93,57,160	1,40,31,002
Income tax	13,79,100	13,79,100
Customs	10,87,03,540	10,87,03,540
ESIC	5,77,938	5,77,938
EPFO	6,90,449	6,90,449
Sub Total (ii)	25,61,07,689	15,07,81,531
Total (i+ii)	**34,22,71,097**	**22,14,96,830**

Note: It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to the Financial statements

(Amounts in ₹)

Note 30 : Payables to Micro, Small & Medium Enterprises:

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	March 31, 2021	March 31, 2020
Principal amount remaining unpaid as on 31st March	NIL	NIL
Interest due thereon as on 31st March	NIL	NIL
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	NIL	NIL
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	NIL	NIL
Interest accrued and remaining unpaid as at 31st March	NIL	NIL
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	NIL	NIL

Note: The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

Note 31: Related Party Transactions:

(a) Key Management personnel(KMP)	: Naresh Kumar Adusumilli (Managing Director) : Kolappa Thanu Pillai (Chairman) : Adusumilli Sivaji Rao (Executive Vice Chairman) : Srinivas Narayana Rao (Independent Director) : Syed Anis Hussain (Independent Director) : Pamula Latha (Independent women Director) : Sri Kiran Kumar Yeda (Independent Director) : Ramana Kumar (Executive Director)
(b) Relative of Key Management personnel	: A. Mutya Bai : A. Ashok Kumar

(c) Transactions with Related Parties:

	March 31, 2021		March 31, 2020	
	Amount	Outstanding Receivable /(payable)	Amount	Outstanding Receivable /(payable)
Key Management Personnel:				
Managerial Remuneration and Short term employee benefits	1,46,81,172	(74,65,092)	1,45,44,113	(21,35,490)
Sitting Fees paid	4,83,000	(74,460)	5,70,000	(56,250)
Lease Rent	5,83,200	(2,69,730)	5,83,200	(43,740)
Assignment of Key Man Insurance	2,20,94,617	-		
Rent Deposit	-	12,15,000	-	12,15,000
Relatives of Key Management Personnel:				
Lease Rent	14,24,480	(84,64,467)	13,62,000	(70,29,223)
Rent Deposit	-	19,89,000	-	19,89,000
Advance (on account of pledged shares forfeited by IFCI)	-	(29,23,422)	-	(29,23,422)

Notes to the Financial statements

(Amounts in ₹)

(d) Information Regarding Significant Transactions

(Generally in excess of 10% of the total transaction value of the same type)

	March 31, 2021	March 31, 2020
Managerial Remuneration and Short term employee benefits:		
- Naresh Kumar Adusumilli	60,00,000	60,00,000
- Shivaji Rao Adusumilli	59,40,000	59,40,000
- Ramana Kumar	27,41,172	26,04,113
Key Man Insurance assignment		
- Naresh Kumar Adusumilli	2,20,94,617	-
Sitting Fees paid:		
- Kolappa Thanu Pillai	1,14,000	1,31,000
- Syed Anis Hussain	1,23,000	1,82,000
- Srinivas Narayana Rao	1,14,000	89,000
- Pamula Latha	60,000	84,000
- Sri Kiran Kumar Yeda	72,000	84,000
Lease Rent :		
- Naresh Kumar Adusumilli	5,83,200	5,83,200
- A. Ashok Kumar	5,37,680	4,75,200
- A. Mutya Bai	8,86,800	8,86,800

(e) Remuneration to Key Managerial personnel:

The remuneration of key managerial personnel is determined as per the limits prescribed under Schedule V of the Companies Act, 2013 in case of inadequate profits.

(f) Terms and Conditions:

(i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.

(ii) All outstanding balances are unsecured and repayable in cash.

Note 32: Disclosure as required under INDAS 108 - Operating Segments :

Operating Segments:

1. Ferrous Products, which includes Pig Iron & Ductile Iron Pipes

2. Metallurgical Coke with Co-generation Power

Identification of Segments:

The Managing Director has been identified as being Chief Operating Decision Maker (CODM). The CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products for which discrete financial information is available.

Segment revenue and results :

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities:

Assets used by the operating segment and mainly consist of property plant and equipment, trade receivable, cash and cash equivalents and inventories. Segment Liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

Refer Note no. 33, regarding shut down of operations in Ferrous products division.

Notes to the Financial statements

(Amounts in ₹)

Segment Revenue, Results, Segment Assets And Segment Liabilities:

S.No.	Particulars	March 31, 2021	March 31, 2020
1	**Segment Revenue:**		
	Ferrous Products	41	1,68,36,593
	Metallurgical Coke with Co-generation Power	27,15,61,011	2,72,12,00,018
	Total	**27,15,61,052**	**2,73,80,36,611**
	Less: Inter Segment Revenue	39,52,518	90,73,638
	Sales/Revenue From Operations	**26,76,08,534**	**2,72,89,62,973**
2	**Segment Results:**		
	Ferrous Products	(27,78,17,769)	(43,54,13,816)
	Metallurgical Coke with Co-generation Power	(17,66,44,124)	(77,76,55,818)
	Total	**(45,44,61,893)**	**(1,21,30,69,634)**
	Less : Other un-allocable expenditure	(57,77,792)	(23,45,319)
	Total Segment results before interest and tax	**(44,86,84,101)**	**(1,21,07,24,315)**
	Finance Costs (Net)	2,81,13,53,292	1,89,68,87,112
	Loss before exceptional item and tax	**(3,26,00,37,393)**	**(3,10,76,11,427)**
	Exceptional item	-	-
	Loss before tax	**(3,26,00,37,393)**	**(3,10,76,11,427)**
	Tax	-	-
	(Loss) after tax	**(3,26,00,37,393)**	**(3,10,76,11,427)**
	Other Comprehensive Income (Net of Tax)	61,12,810	24,257,602
	Total Other Comprehensive Income	**(3,25,39,24,583)**	**(3,08,33,53,825)**
3	**Segment Assets:**		
	Ferrous Products	5,01,95,90,397	5,32,23,66,894
	Metallurgical Coke with Co-generation Power	2,64,60,53,495	2,96,37,66,389
	Total	**7,66,56,43,892**	**8,28,61,33,283**
	Segment Liabilities:		
	Ferrous Products	12,97,56,20,482	10,30,68,39,860
	Metallurgical Coke with Co-generation Power	4,80,82,06,902	4,85,29,59,356
	Total	**17,78,38,27,384**	**15,15,97,99,216**
	Unallocated (Net)	2,75,63,222	3,69,70,246
	Total	**(10,09,06,20,270)**	**(6,83,66,95,687)**

Notes to the Financial statements

(Amounts in ₹)

Note 33: Going Concern:

'As at March 31 2021, the company had negative other equity of Rs. 10,59,96,20,270/- (March 31, 2020-7,34,56,95,687/-) and the company incurred losses during the preceding five years. The company has defaulted in payment of loans and interest and loan accounts have been classified as non-performing assets by banks. Due to tight cash flows and non-availability of working capital limits the operations at ferrous division have been impacted and the plant was under shut down since 12th June 2017. The operations at Kudithini works too were impacted where Metallurgical Coke facility is running at Twenty Eight percent capacity and power generation is also partially operated. Management of the company is initial stages of the deliberations about the restructuring of the debts with JCFARC and also looking to start operations of the plant based on the out come of the deliberations .This impact is likely to continue until the restructuring and finilisation of the talks with JCFARC. Notwithstanding the above, the financial results of the company have been prepared on going concern basis as management believes that the shortage of working capital funds will be temporary. The auditors of the company had drawn an emphasis of matter in the audit report for the year ended March 31, 2021.

Note 34: Loss per share (EPS):

	March 31, 2021	March 31, 2020
(a) Basic EPS:		
Basic loss per share attributable to the equity holders of the company	(64.05)	(61.05)
(b) Diluted EPS:		
Diluted loss per share attributable to the equity holders of the company	(64.05)	(61.05)

(c) Reconciliation of earnings used in calculating earnings per share:

	March 31, 2021	March 31, 2020
Basic earnings per share:		
Loss attributable to the equity holders of the company used in calculating basic earnings per share	(3,26,00,37,393)	(3,10,76,11,427)
Diluted earnings per share:		
(Loss) attributable to the equity holders of the company used in calculating diluted earnings per share	(3,26,00,37,393)	(3,10,76,11,427)

(d) Weighted average number of shares used as the denominator:

	March 31, 2021	March 31, 2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,09,00,000	5,09,00,000
Adjustments for calculation of diluted earnings per share	Nil	Nil
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**5,09,00,000**	**5,09,00,000**

Notes to the Financial statements

(Amounts in ₹)

Note 35: Assets pledged as security:

The carrying amounts of Company's assets pledged as security for current and non current borrowings are:

	March 31, 2021	March 31, 2020
Working capital loans from banks (Secured):		
First charge on current assets:		
Financial asset	40,34,64,330	46,78,67,705
Non-financial asset	40,45,81,616	49,79,69,887
Second charge on fixed assets:		
Fixed assets	6,74,21,56,863	7,16,51,75,114
Towards current borrowings	**7,55,02,02,809**	**8,13,10,12,706**
Non current borrowings (Secured):		
First charge on fixed assets:		
Fixed assets	6,74,21,56,863	7,16,51,75,114
Second charge on current assets:		
Financial asset	40,34,64,330	46,78,67,705
Non-financial asset	40,45,81,616	49,79,69,887
Towards non current borrowings	**7,55,02,02,809**	**8,13,10,12,706**

Note 36: Note on Balances (In response to qualification in audit report) :

Trade receivables, supplier advances, capital advances and other financial assets as at March 31, 2021 includes of Rs. 34,81,82,443/- (March 31, 2020 Rs. 35,79,02,819/-), Rs.5,95,26,779/- (March 31, 2020: Rs. 5,01,54,609/-), Rs. 1,74,00,846/- (March 31, 2020: Rs. 1,73,63,284/-) and Rs. 1,57,02,486/- (March 31, 2020: Rs. 1,57,02,486/-)respectively due for a period of more than one year for which no provision has been made in the books of account, as the management considers these receivables as good and recoverable. The management assesses the recoverability of trade receivables on regular basis and there is no uncertainty at present on recoverability of these receivables. legal cases were preferred where required to ensure recoverability and the management is confident of recoverability and no provision at present is required to be made. This was also subject matter of qualification in the audit report for the year ended March 31, 2020.

Confirmation letters have been issued in respect of trade receivables and other receivables, loans and advances and trade payables and other payables of the company. Balances where confirmations are not forthcoming such balances are subject to reconciliation and consequential adjustment required, if any, would be determined/made on receipt of confirmation. However, in the opinion of the Board, assets other than Fixed Assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.

Note 37: Note on Statutory liabilities (In response to qualification of audit report):

Statutory liabilities as at March 31, 2021 amounting to Rs. 11,05,80,126/-(March 31,2020: 10,83,39,226/-) related to Income tax, Employee's provident fund, Employee state insurance act, Gratuity and professional tax, have become overdue and remaining unpaid. This is because of the tight working capital situation faced by the company. pending such payments, penalties that may be levied by consent authorities and impact in the financial statements presently un ascertainable and not accounted for.

Note 38: Note on Advance from Customer (In response to qualification in CARO report):

Advance from customers outstanding more than one year as at March 31, 2021 amounting to Rs. 86,53,876/- and this is because of the tight working capital situation faced by the company. As per Acceptance of Deposits by Companies Rules, 2014, Any amount received as advances from the customers, Such work / supply should be done within 365 days from the receipt of such advance from customer otherwise company have to appropriate such advance to the customer before expiry of 365 days. pending such appropriation, any penalties that may be levied by consent authorities and impact in the financial statements presently un ascertainable.

Notes to the Financial statements

(Amounts in ₹)

Note 39: Note on Non Movement of Inventories (In response to qualification of audit report):

Since shut down of the operations Haresamudram plant from 12th June 2017, no major movement have happened in Inventories amounting to Rs. 19,82,98,231/- (As at 31st March 2020: Rs.21,18,90,759/-). Management regularly monitored, maintained and ensured same in usable/ saleable condition and assessed the stated value was fully recoverable and no provision is required as on the date of balance sheet.

Note 40: Note on overdue foreign currency payable (In response to qualification of audit report):

Creditors for capital works as at March 31, 2021 includes overdue payables of Rs.2,22,45,009/- (March 31, 2020: Rs. 2,28,16,437/-) which is owed by the Company to a non-resident company for more than three years. The Company is required to obtain approvals from consent authorities to condone such delay in payment of foreign currencies, which is presently not obtained and the Company intends to take the necessary approvals in this regard, pending which any penalties that may be levied by consent authorities and impact in the aforesaid liabilities in the financial statements are not presently ascertainable.

Note 41: Note on Impairment (In response to qualification of audit report):

The Company's current level of operations in Metallurgical Coke division at Twenty Eight percent capacity and no operations at Ferrous division, may not be an indication of the future performance of the Company. Consortium of lenders assigned their debt provided to the Company to J C Flower Asset Reconstruction Company Limited ("JCFARC") and pending deliberations about restructuring of the Loan and restart of the plant operations , reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined. Accordingly Impairment testing under Ind AS has not been performed while presenting these results.

Note 42: Events after the Reporting Period

Based on the letter dated June 23, 2021 by the Canara Bank (lead banker of Consortium), Three lender Banks (Out of Four (4) in consortium) of the Company namely, Canara Bank ('CB'), State Bank of India ('SBI') and Union Bank of India [(earlier Andhra Bank) ('UBI')} [collectively hereinafter referred as 'Banks'] and IFCI non banking financial company have assigned their debt provided to the Company to J C Flower Asset Reconstruction Company Limited ("JCFARC"), the anchor bidder in swiss challenge process with an offer of Rs 53100 lakhs. Therefore, J C Flower ARC shall now have all the rights and privileges on the debt earlier owed by the Company to the Banks. (Subsequent event to date of balance sheet).

Note 43: Previous year figures have been regrouped /reclassified to conform to current year classification.

As per our report of even date

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership Number: 220354
UDIN No : 20220354AAAABE9816

Hyderabad
June 30, 2021

For and on behalf of the Board of Directors

A.S. Rao
Executive Vice Chairman
DIN: 00899415

A. Naresh Kumar
Managing Director
DIN: 00112566

V.S.R.K Hanuman
Chief Financial Officer

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION:

1.1 Good business and good ethics are identical if viewed from moral, legal and practical stand points. As we understand, ethics is the discipline dealing with what is good and bad, or right or wrong or with moral duty and obligation. Viewed from this sense of understanding, business ethics is the application of ethical principles to business relationships and activities. The trust and respect of all stakeholders are biggest assets which cannot be purchased but earned. Therefore, the business of a corporate must be conducted according to the highest ethical standards.

1.2 This Code is aimed at adding ethics to the business curriculum. The present written Code of Business Conduct and Ethics is expected to make the users ethically sensitized and would improve the business practices. When confronted with ethical dilemmas, this Code is expected to offer some guidance in resolving them and therefore, the users are encouraged to review and imbibe the same in their day to day functioning.

1.3 This Code is only a guidance note and is not exhaustive. The users may well take this as a basic and minimum discipline for taking any business decision or conduct of business. The users are always encouraged to follow any improved set of ethical standards in the given circumstances and set an example for others and thus represent our business as a role model.

2. POLICY STATEMENT:

2.1 This Code of Business Conduct and Ethics (herein after referred to as “Code”) embodies the commitment of Sathavahana Ispat Limited to conduct our business in accordance with highest standards of ethics and with all applicable laws, rules and regulations. This Code forms an integral part of the Corporate Governance policy of the Company and all the members of the Board of Directors and Senior Management must adhere to the policy of Corporate Governance and the present Code in its true spirit. The members of the Board of Directors and Senior Management are expected to and advised to follow the principles and procedures set forth in this Code in their respective functioning and thus set highest ethical standards in their business and personal dealings.

3. OBJECTIVE:

3.1 In line with the avowed policy on Corporate Governance, the objective of this Code is to bring in highest standards in the conduct of Company's business while ensuring honesty and integrity in managing the affairs of the Company. The Code is aimed at providing accountability, transparency and control systems and encourages value creation. We, at Sathavahana Ispat Limited believe that we are the trustees of all the stakeholders involved in the Company and in terms of this trusteeship, we should strive hard to protect and further the interest of our stakeholders in perpetuity.

4. AUTHORITY:

4.1 The Board of Directors of the Company is the authority for setting the standards of the Code. Should there arises a need for review, refinement, improvement, modification and update of the Code, the Board of Directors of the Company is alone empowered to do so on a periodical basis while ensuring its continuing relevance, effectiveness and responsiveness to the needs of all stakeholders as also to reflect corporate, legal and regulatory developments.

4.2 It is the intention of the Company that this Code will also be The Code of Conduct and Ethics for the Board of Directors and Senior Management stated in the listing requirements of clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's equity shares are listed.

4.3 In the event of any difficulty in understanding and interpretation of the Code, the Board of Directors shall be the sole authority to clarify and apply the meaning to the issue on hand.

5. APPLICATION:

5.1 This Code shall apply to all the Board of Directors of the Company irrespective of executive and non-executive directors. This Code shall also apply to all the Senior Management of the Company covering all functional heads upto the level of Managers. Each person covered by the Code shall submit a signed annual declaration to the Company certifying therein, interalia, the compliance of the Code.

6. DISCLOSURE:

6.1 It is the intention of the Company that this Code shall be included in the next annual report of the Company to the shareholders as an exhibit to the report on Corporate Governance and be included so thereafter as may be decided by the Board of Directors in every annual report of the Company to the shareholders. The Code be also posted and maintained on the website of the Company, as and when the Company hosts its website.

6.2 The Managing Director in his capacity as Chief Executive Officer of the Company shall make an annual statement in the Annual Report of the Company addressed to all stake holders to the shareholders that all the Directors and Senior Management of the Company has complied with the standards of the Code and a certificate from every person affirming the compliance has been obtained.

6.3 Any update and modification to the Code shall be promptly disseminated and notified to all the members of the Board of Directors and senior management of the Company and so also to the Stock Exchanges where the equity shares of the Company are listed.

7. STANDARDS:

7.1 Fiduciary duty and Conflict interest:

7.1.1 Directors and Senior Management owe a fiduciary duty to the Company to act always in the best interests of the Company and have a bounden duty to advance its legitimate business interests to itself whenever the opportunity to do so arises and must avoid any situation in which personal interests conflict or have potential of conflict with the Company interests.

7.1.2 Directors and Senior Management are prohibited from taking any benefit or advantage for themselves or through a third party entity where they have a direct or indirect relation, any corporate or business opportunity that is discovered through the use of Company's property, information or position unless Company itself has been given or afforded a first right of opportunity or option to take advantage of such opportunity and /or refusal and the Company has turned down such opportunity or option and refused to take such opportunity. Directors and Senior Management should desist from taking any personal gain, directly or indirectly through any related party, out of any corporate or business opportunity which otherwise would have genuinely belonged to the Company by virtue of deployment of its resources.

7.1.3 In the event of any conflict of interest in a particular situation, the proper course would be to have an approval of the Board of Directors of the Company beforehand. Where any personal benefit or gain made or accrued out of any corporate or business opportunity in which Company's property or services were used, the Directors and Senior Management must promptly account for such benefit or gain to the Company.

8.1 Confidentiality:

8.1.1 All confidential information concerning the Company is the property of the Company and must be closely guarded and / or protected and shall not be disclosed to any third party save and except mandated to do so by Law or authorized by the Company.

8.1.2 Confidential information concerning Company include possible / future business opportunities, customer and supplier data or profile, financial performance, unpublished financial information and / or financial data, unpublished securities information, technology and technical information, technical advancements, patents, trademarks, copy rights or any other information, expertise, knowledge which are in the exclusive domain of the Company.

8.1.3 Directors and Senior Management are prohibited from disclosing or using the same for personal gain any confidential information concerning the Company, which they acquire in the course of their association / employment with the Company. Such prohibition shall extend not only to work place but also to any other outside place and covers a period of say, one year after their dis-association or cessation of employment with the Company.

9.1 Insider Trading:

Trading of Securities of the Company on the basis of confidential information acquired through your association /employment with the Company is restricted and / or prohibited.

9.2 Directors and Senior Management are bound by Securities and Exchange Board of India's (SEBI's) Insider Trading Regulations and Company's policy thereof. Directors and Senior Management are accordingly restricted from dealing in the Company's securities based on the unpublished price sensitive information concerning the Company during the opening of 'Window' period as provided in the above Regulations. Directors and Senior Management are strictly prohibited from dealing in the Company's securities based on any unpublished price sensitive information.

9.3 Any clarifications in this regard Director/Senior Management may always take assistance from Company Secretary and Compliance Officer of the Company.

10.1 Protection of Company's Assets:

10.1.1 Protection of Company's Assets is of paramount importance and it is our duty to protect Company's Assets and also put the same to proper use.

10.1.2 Company's assets are exclusive property of the

Company and they are to be used solely for legitimate business purposes of the Company only. Directors and Senior Management in their capacities as 'trustees' of the Company's properties shall always endeavor to protect the Company's assets and also bound to put the same to proper use.

10.1.3 Company's assets should not be used for personal purposes both in the course of employment or association and after cessation of employment or association with the Company.

11.1 Compliance with Laws and Regulations:

11.1.1 The Company seeks to comply in letter and spirit with all applicable laws and regulations in force and at all times and wherever operated.

11.1.2 Company's business is guided by several laws and regulations some of which are stringent. Directors and Senior Management must endeavor to comply with all the applicable laws and regulations with respect to conduct of Company's business and personal conduct both within and outside work place.

11.1.3 Violation of any laws will attract personal indictment and penalties, and the Company will also similarly be subjected to such penalties. Directors and Senior Management should ensure total compliance of laws and regulations to avoid any such penalties. They should familiarize themselves about the laws of land and keep abreast of all changes / amendments from time to time.

12.1 Fair Business Practice and Dealings:

12.1.1 The Company believes in fair dealings in the conduct of its business and encourages honest business competition.

12.1.2 Fair dealings imply conducting ourselves with honesty and integrity and showing transparency and openness when dealing with Company's customers, suppliers, competitors and employees.

12.1.3 Directors and Senior Management are discouraged from engaging in unfair methods of competition and unfair or deceptive acts and practices. Directors and Senior Management are also discouraged from taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or other unfair dealings.

12.1.4 Directors and Senior Management shall not authorize any third party to represent the Company whose business conduct and ethics are known to be inconsistent with the Code.

12.1.5 Directors and Senior Management are discouraged from accepting any gifts, contributions, donations other than customary nature from any parties and discourage offering such things to any third parties in the conduct of Company's business.

13.1 Dissemination / Disclosure of Company's Information:

13.1.1 The Company encourages dissemination or disclosure of timely, accurate and complete information to all stakeholders and law enforcing authorities through proper channel.

13.1.2 The Company is required to disclose information concerning its business affairs from time to time through media, publication, letters, notes, memoranda etc., the object being to keep the stakeholders, law enforcing authorities and public at large informed of the Company's plans, policies, compliances, achievements, accomplishments etc.

13.1.3 Directors and Senior Management should ensure that dissemination / disclosure are time bound, accurate, complete, true and fair. Disclosure / dissemination of non-public information is strictly prohibited. Inter action with media should be only through authorized persons. Information sought by the law enforcing authorities should be furnished as early as possible. All disclosures / dissemination of information shall be for and on behalf of the Company.

14.1 Health, safety and Environment:

14.1.1 The Company abides by the health, safety and environment norms guidelines and is committed to preserve quality of life of all concerned with Company's business.

14.1.2 Protection / perseverance of health, safety and quality of life of all involved in the business of Company in a conducive external and internal environment is of utmost importance for a sustainable development and therefore deserves highest priority.

14.1.3 Directors and Senior Management shall ensure compliance with the health, safety and environment laws and regulations and strive hard to adopt best practices concerning these issues.

15.1 Reporting violations:

15.1.1 Any activities that are in violation or having potential of violation of the Code should be promptly brought to the notice of the immediate supervisors or to the Chairman of the Board.

15.1.2 All employees are encouraged to report any violations or situations having potential of any violation should be brought to the notice of immediate supervisors or to the Chairman of the Company.

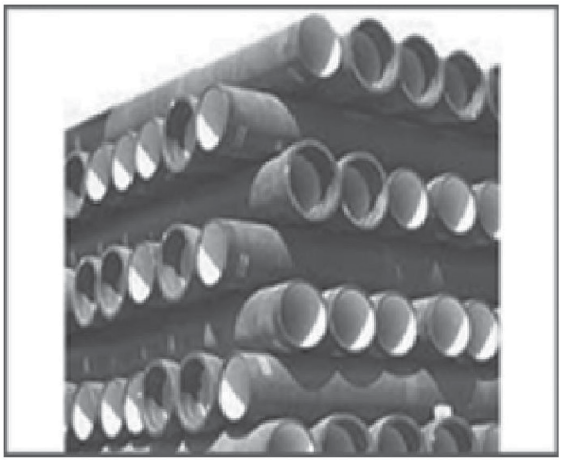
15.1.3 Directors / Senior Management should always welcome to receive information about violations of the Code from colleagues and sub ordinates such information and desist from taking punitive or vengeful action or punishment against the reporting employees.

NOTE

PRODUCT PROFILES



PIG IRON



DUCTILE IRON PIPES



METALLURGICAL COKE



POWER GENERATION

BOOK POST
Printed Matter

If Undelivered please return to :
SATHAVAHANA ISPAT LIMITED
505, 5th Floor, Block - 1,
Divyashakti Complex, Ameerpet,
Hyderabad - 500 016, Telangana