



SUJANA METAL PRODUCTS LIMITED



Date: 6th October, 2016

To

The Department of Corporate Services – CRD, Bombay Stock Exchange Limited, P.J.Towers, Dalal Street, MUMBAI – 400 001. Scrip Code: 513414	National Stock Exchange of India Ltd, 5 th Floor, Exchange Plaza, Bandra (E), MUMBAI – 400 051 Scrip Symbol: SMPL
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Dear Sir/Madam,



Sub: Annual Report for the Financial Year 2015-16-reg.

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2015-16 for your information and record.

Kindly acknowledge the same.

Thanking you,

Yours faithfully,
For SUJANA METAL PRODUCTS LIMITED

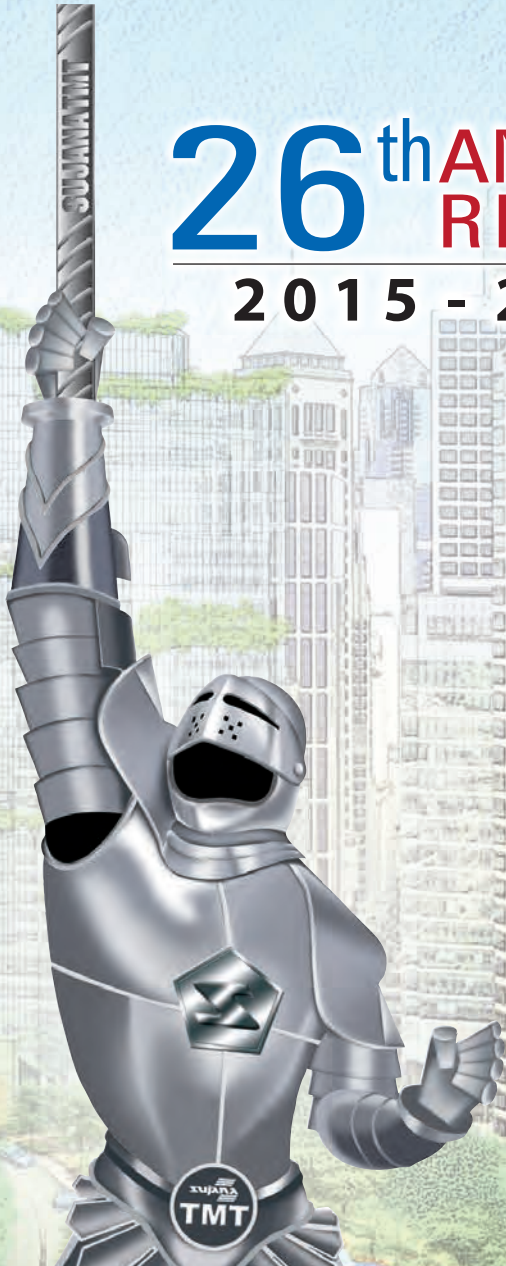


SHAIK IBRAHEEM
COMPANY SECRETARY
Encl: as above.

Enclosed



26th ANNUAL REPORT

2015 - 2016



SUJANA METAL PRODUCTS LIMITED

SUJANA TMT[®]
SUJANA TMT 500 CR
SUPER STRENGTH • SUPERIOR QUALITIES

SUJANA[®]
PLUS
TMT REBAR

SUJANA[®]
CORROSION RESISTANT STEEL
CRS

SUJANA[®]
SMART
STEEL ✓
Customized • Convenient • Cost-saving

SUJANA
STRUCTURAL
STEEL

CORPORATE INFORMATION

BOARD OF DIRECTORS

<i>Non-Executive Chairman</i>	:	Dr. V. Malakonda Reddy*
<i>Managing Director</i>	:	Shri R.K.Birla
<i>Director</i>	:	Shri G.Srinivasa Raju Shri J. Ramakrishnan* Dr. K.Srinivasa Rao* Shri S.Hanumantha Rao Smt. A. Syamala Reddy* Shri Ch. Srinivasu, IDBI Nominee Shri Vimlesh Kumar, PNB Nominee <i>(*Independent & Non-Executive Director)</i>

MANAGEMENT COMMITTEE

	:	Shri G.Srinivasa Raju Shri R.K.Birla Shri S.Hanumantha Rao
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AUDIT COMMITTEE

	:	Dr.K.Srinivasa Rao Shri S.Hanumantha Rao Dr.V.Malakonda Reddy
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SHARE TRANSFER COMMITTEE

	:	Shri R.K.Birla
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SHAREHOLDERS' GRIEVANCES COMMITTEE

	:	Shri S.Hanumantha Rao Shri G.Srinivasa Raju
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NOMINATION AND REMUNERATION COMMITTEE

	:	Dr.K.Srinivasa Rao
	:	Shri J.Ramakrishnan
	:	Dr. V. Malakonda Reddy

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

	:	Shri G.Srinivasa Raju Shri S.Hanumantha Rao Dr.K.Srinivasa Rao
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RISK MANAGEMENT COMMITTEE

	:	Shri.G.Srinivasa Raju Shri S.Hanumantha Rao Dr.K.Srinivasa Rao
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KEY MANAGERIAL PERSONNEL

	:	Shri R.K.Birla, Managing Director Shri Ch. Narayana Rao, Chief Financial Officer Shri Shaik Ibraheem, Company Secretary
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STATUTORY AUDITORS

	:	M/s. T. Raghavendra & Associates Chartered Accountants, Hyderabad
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INTERNAL AUDITORS

	:	Shri M. Balarama Krishnaiah Chartered Accountant, Hyderabad
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COST AUDITORS

	:	M/s. Nageswara Rao & Co Cost Accountants, Secunderabad
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BANKERS

	:	Andhra Bank Bank of Baroda Bank of India IDBI Bank Limited Indian Overseas Bank Indian Bank Karnataka Bank Limited
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SUJANA METAL PRODUCTS LIMITED

State Bank of Patiala
Punjab National Bank (PNB)
Lakshmi Vilas Bank
Oriental Bank of Commerce

REGISTERED OFFICE & CORPORATE OFFICE

: Plot No. 18, Nagarjuna Hills, Panjagutta
Hyderabad-500082, Telangana

WORKS

Hyderabad:

- (i) Survey No.296/7/9,
- (ii) Plot No. 4, Survey No.296/7/7, 8 & 11,
- (iii) Survey No. 296/7/7, 296/7/8, 296/7/11
- (iv) Survey No. 296/7/7, 8 & 11
IDA Bollaram, Jinnaram Mandal,
Medak District - 502325, Telangana.
- (v) Survey No. 196 & 197, Parigi Road,
Elikatta Village, Shadnagar,
Mahaboobnagar District, Telangana.
- (vi) Cut and Bend Division: Survey No. 204, 205 & 206,
Elakatta Gram Panchayat, Farooq Nagar Mandal,
Mahaboob Nagar District-509216, Telangana.
- (vii) Trading Division : Plot No. 4, Survey No. 296/7/7A,
IDA Bollaram, Jinnaram Mandal,
Medak District-502325, Telangana.
- (viii) Survey No.473, 576 & 442,
Chikatigudem, Kethepally Mandal,
Nalgonda District, Telangana-508211.

Chennai:

- (i) Survey No. 204/8B, Manjankaranai Village,
Chennai, M.G.R. District - 620 502, Tamilnadu
- (ii) Plot No. B-20E, SIPCOT Industrial Complex,
Gummidipondi, Chennai, Tamilnadu.

Visakhapatnam:

Sanivada Village, Rajeevnagar,
Visakhapatnam-530046, Andhra Pradesh.

LISTING

: **Equity**
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001
National Stock Exchange of India Ltd (NSE)
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

REGISTRAR & SHARE TRANSFER AGENTS

: M/s Bigshare Services Pvt. Ltd.
306, Right Wing, 3rd Floor, Amrutha Ville,
Opp: Yashoda Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad - 500 082.
Phone No: 040 - 2337 4967.
Email: bsshyd@bigshareonline.com
Website: www.bigshareonline.com

NOTICE

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting of the members of the Company will be held on Friday, the 30th day of September, 2016 at Katriya Hotel & Towers, # 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana at 12.00 noon to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31st, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri S. Hanumantha Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. T. Raghavendra & Associates, Chartered Accountants (Registration No. 003329S) as Statutory Auditors of the Company to hold office from the conclusion of this (26th Annual General Meeting until the conclusion of the 30th Annual General Meeting (i.e., for Four Financial Years) pursuant to provisions of Section 139 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule No. 3 of the Companies (Audit and Auditors) Rules, 2014 and to authorise the board to fix their remuneration, subject to ratification of the members at every Annual General Meeting.

SPECIAL BUSINESS

4. **To consider and appoint Smt. A. Syamala Reddy (DIN: 02224082) as an Independent Director and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 & 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) and the Companies (Appointment and Qualification of

Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] read with Regulation 17 of the SEBI(Listing Obligations And Disclosure Requirements) Regulations, 2015, Smt. A. Syamala Reddy (DIN: 02224082), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors w.e.f. August 27th, 2016 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Smt. A. Syamala Reddy (DIN: 02224082) for the Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years commencing from September 30th , 2016 to September 30th, 2021.”

5. **To fix the remuneration of Shri R.K.Birla, Managing Director of the Company for the balance tenure of his term and in this regard if thought fit, to pass with or without modifications(s), the following resolution as Special Resolution:**

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 (“The Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and approval of Central Government, required if any, and such other consents and approvals as may be required, and as recommended by the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to pay existing remuneration of Rs. 120.36 lakhs per annum subject to deduction of applicable taxes to Shri R.K. Birla, Managing Director of the Company for the balance tenure of his term i.e upto 27.01.2018.

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“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during his tenure, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Shri R.K.Birla, Managing Director as provided in this resolution.”

“RESOLVED FURTHER THAT the remuneration specified above for Shri R.K.Birla, Managing Director may, subject to overall ceiling under the Companies Act,2013 and subject to Schedule V of the Companies Act, 2013 be modified, during the tenure of office as Managing Director, as may be agreed by the Board of Directors and Shri R.K.Birla.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to complete necessary statutory formalities to give effect to the resolution and to do all such acts, deeds, matter and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution from time to time and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, Andhra Pradesh & Telangana”.

6. **To consider and approve the change of the name of the Company from “Sujana Metal Products Limited” to “Splendid Metal Products Limited” and consequent alteration to Memorandum of Association and Articles of Association of the Company and in this regard, if thought fit, to pass, with or without modification(s),**

the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 4,13,14 and 15 and all other applicable provisions if any of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to approval of Central Government, Registrar of Companies and any other statutory approvals as may be required in this matter, consent of the members of the Company be and is hereby accorded for changing the name of the Company from “Sujana Metal Products Limited” to “Splendid Metal Products Limited” as made available by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs(MCA).

RESOLVED FURTHER THAT upon receipt of fresh Certificate of Incorporation consequent upon change of name, the old name, i.e. “Sujana Metal Products Limited” be substituted with the new name, i.e. “Splendid Metal Products Limited” in the Memorandum and Articles of Association of the Company, other necessary documents and at all other places wherever appearing.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Shri R.K.Birla, Managing Director, Shri S. Hanumantha Rao, Director of the Company be and are hereby severally authorized to make necessary application for obtaining approval to the change of name accordingly to the Registrar of Companies, Andhra Pradesh & Telangana.

RESOLVED FURTHER THAT Shri R.K.Birla-Managing Director and Shri S. Hanumantha Rao-Director of the Company be and are hereby severally authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of change of name with the Registrar of Companies, Andhra Pradesh & Telangana.”

7. To consider and approve the increase of Authorised Share Capital of the Company from Rs.200 crores to Rs.1000 crores, and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Authorised Share Capital of the Company be and is hereby increased from from Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) divided into 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each to Rs.1000,00,00,000/- (Rupees One Thousand Crores only) divided into 50,00,00,000 (Fifty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 7,50,00,000 (Seven Crores Fifty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each by further creation of 19,00,00,000 (Nineteen crores only) Equity shares of Rs. 5/- (Rupees Five only) and 7,05,00,000 (Seven Crores Five Lakhs only) Preference Shares Shares of Rs.100/- (Rupees One Hundred only) each.”

“RESOLVED FURTHER that, the consent of the members of the Company be and is hereby accorded to the Board/Management Committee of the Board of Directors of the Company to finalise the desired level/limit of authorized share capital of the Company upto Rs. 1000 Crores (Rupees One Thousand Crores only) keeping in view the proposed further issues of the Company and to file necessary e-forms with the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, desirable or expedient.”

“RESOLVED FURTHER that the date on which the resolution passed by the Board/ Management Committee of the Board to increase the authorized share capital of the

Company basing the consent given by the members to the desired levels as above, shall be treated as date of consent given by the members of the Company.”

“RESOLVED FURTHER that the Clause V(a) of the Memorandum of Association of the Company and Article 3 of Articles of Association be altered as follows:

The Authorised Share Capital of the Company is Rs.1000,00,00,000/- (Rupees One Thousand Crores only) divided into 50,00,00,000 (Fifty Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 7,50,00,000 (Seven crores Fifty Lakhs only) Preference Shares of Rs. 100/- each (Rupees One Hundred only).”

8. To consider and approve the issue of Cumulative Redeemable preference shares (CRPS) and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED that in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent

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of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, such number of Preference Shares of the Company of the face value of Rs. 100/- each, for an aggregate value not exceeding Rs. 750 crore (including existing paid up preference share capital), as Cumulative Redeemable Preference Shares ("CRPS"), to the lenders who are proposing to invoke the provisions of Strategic Debt Restructuring (SDR) formulated by Reserve Bank of India, as set out in Resolution No. 9 of this notice through conversion of existing loans and / or interest on such loans at such price or prices as the Board or Committee thereof may in its absolute discretion think fit."

RESOLVED FURTHER that in accordance with provisions of Section 43 of the Act, the CRPS shall be non participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.

RESOLVED FURTHER THAT the said Cumulative Redeemable Preference Shares shall not be convertible with equity shares and accordingly the same shall not be listed with any Stock Exchange.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or Executive Director or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

9. **To approve and confirm the Strategic Debt Restructuring Scheme(SDR)/outside SDR formulated by the Reserve Bank of India and in this regard, if thought fit, to pass, with or without modification(s),**

the following resolution as Special Resolution:

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 2013 and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into with stock exchanges on which the equity shares of the Company are listed (the "Equity Shares"), the applicable rules, notifications, guidelines issued by the Government of India, the Reserve Bank of India and any regulatory or other appropriate authorities (including but not limited to Securities and Exchange Board of India ("SEBI"), and subject to approvals, permissions, sanctions and consents as may be necessary from any regulatory or other appropriate authorities (including but not limited to SEBI, the Reserve Bank of India (the "RBI") and pursuant to the Strategic Debt Restructuring Scheme (SDR) Scheme formulated by the Reserve Bank of India vide Circular I DBR.BP.BC.No.101/21.04.132/2014-15, dated June 8, 2015, Circular II DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015, Circular III DBR.BP.BC.No.82/21.04.132 / 2015-16 dated February 25, 2016 and Circular IV DBR.No.BP.BC.103 /21.04.132/2015-16 dated June 13, 2016 issued by the Reserve Bank of India (hereinafter referred to as the "SDR Circulars"), the action taken / proposed to be taken stipulating the invocation of the provisions of SDR Circulars, by Punjab National Bank, Andhra Bank, Bank of Baroda, Bank of India, IDBI Bank Limited, Indian Overseas Bank, Indian Bank, Karnataka Bank Limited, State Bank of Patiala, Lakshmi Vilas Bank, Oriental Bank of Commerce and Stressed Assets Stabilisation Fund (SASF) (hereinafter referred to as the "Lenders") vide the Minutes of the Meeting of Joint Lenders' Forum held on 18th July, 2016, agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which terms shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred

under this resolution), be and is hereby approved and the consent of the members of the Company be and is hereby accorded to adopt and implement the provisions of the SDR Circulars between the Company and the Lenders of the Company whose loans are being restructured under the Strategic Debt Restructuring Scheme issued by the RBI and the Board and/or any person authorized by the Board in respect thereof from time to time, be and is hereby authorized on behalf of the Company to discuss, negotiate, amend, if required, the terms and conditions of the SDR Circulars in the manner as may be approved by and between the Company and the Lenders, amend or make changes to the documents and enter into other documents in pursuance of the SDR Scheme, implement the SDR Scheme, on the basis of the terms set out in the SDR Scheme and as may be agreed between the respective parties, and execute the necessary documents for the same including, inter-alia issuance of Equity Shares/Preference shares/convertible securities to the Lenders of the Company by conversion of loans into fully paid equity shares/preference shares / convertible securities in terms of the SDR Scheme.”

“RESOLVED FURTHER THAT in such event of invocation and implementation of SDR Circulars, by the Lenders as agreed by the Company, there will be change of management in the Company and the new persons / entities as may be identified by the Lenders will have management and control over the entire affairs of management of the Company and the members of the Company hereby accord their consent and approval for such change of management and change of persons having control over the Company subject to the provisions of Companies Act, 2013, and rules made thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and Securities and Exchange Board of India (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 (SEBI SAST Regulations) post conversion of equity shares”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds and things which are necessary for the purpose of giving effect to this Resolution.”

10. To ratify the remuneration of the Cost Auditors for the financial year ending March 31st , 2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,00,000/- (Rupees Two Lakh Only) plus reimbursement of actual expenses, to be paid to M/s. Nageswara Rao & Co, (Member Ship No: 000332) Cost Auditors of the Company, for the financial year 2016-17, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution

BY ORDER OF THE BOARD

Place: Hyderabad

Date: August 27th, 2016

R.K.BIRLA

Managing Director
(DIN: 00118776)

NOTES:

1. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE 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. Pursuant to the provisions of Section 105 of the

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- Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
 4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
 5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
 6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
 7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
 8. The Share Transfer Books and Register of Members of the Company will remain closed on September 29th , 2016 (One day only).
 9. Copy of the draft letters for respective appointment of Smt. A. Syamala Reddy as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company and also available @ www.sujana.com
 10. Details under SEBI (Listing Obligations & Disclosure Requirements) 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/ re-appointment.
 11. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
 12. The registration of share transfers and other related correspondence will be dealt at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
 13. The shareholders / members of the Company, who are having equity shares of the Company in physical form, are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders /members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.
 14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

Members holding shares in physical form can submit their PAN details to the Company's RTA.

15. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad).
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Sujana to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Companies RTA. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
18. Electronic copy of the Annual Report for 2015-16 (including Notice of the 26th Annual General Meeting of the Company along with Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
19. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates with their respective Depository Participants to receive all the communications in electronic mode. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company RTA.
20. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.sujana.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days.
21. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
23. **Instructions for members for voting electronically are as under:-**
 - In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ("Amended

SUJANA METAL PRODUCTS LIMITED

- Rules 2015”) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 26th Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (“remote evoting”) will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 - The remote e-voting period commences on September 26th, 2016 (9:00 A.M.) and ends on September 29th, 2016 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Friday, September 23rd, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - Shri Y. Ravi Prasada Reddy, Practicing Company Secretary, Hyderabad, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - The Chairman shall at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote evoting facility.
 - The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sujana.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.
 - **The process and manner for remote e-voting are as under :**
 - (a) **In case a Member receives an e-mail from NSDL (for members whose e-mail ID’s are registered with the Company/Depository Participant(s)):**
 - (i) Open e-mail and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsd.com/>



- (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select “EVEN” of Sujana Metal Products Limited
 - (viii) Now you are ready for e-Voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: yvafics@gmail.com with a copy marked to evoting@nsdl.co.in.
- (b) In case of Shareholders’ receiving Physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :**
- (i) Initial password is provided at the bottom of the Attendance Slip.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
 - (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - (f) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
 - (g) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

BY ORDER OF THE BOARD

Place: Hyderabad

Date: August 27th , 2016

R.K.BIRLA

Managing Director
(DIN: 00118776)

SUJANA METAL PRODUCTS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“the Act”):

The following statement sets out all material facts relating to the business mentioned in Item no. 4 to 10 of the accompanying Notice:

Item No 4:

The Board of Directors of the Company, in pursuant to the provisions of Section 149, 152 & 161 of the Act and the Articles of Association of the Company and Regulation 17 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015, has appointed Smt. A. Syamala Reddy (DIN: 02224082) as an Additional Director (Independent Director) of the Company w.e.f August 27th , 2016 who shall hold office upto the conclusion of this Annual General Meeting, now It is proposed by the Board to recommend her appointment as Independent Director for a term up to 5 (five) consecutive years w.e.f. September 30th, 2016 to September 30th, 2021 subject to her election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Smt. A. Syamala Reddy (DIN: 02224082) and as Independent Director of the Company.

The Company has also received declarations from Smt. A. Syamala Reddy (DIN: 02224082) that she meets with criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulations 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

Smt. A. Syamala Reddy (DIN: 02224082) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that she is eligible to be appointed as an Independent Director pursuant to the provisions of Section 149 of the Act and Regulations 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

The Board of Directors of your Company is also of the opinion that the appointee is independent of the management of the Company.

The Board considers that keeping in view of her vast expertise and knowledge; it will be in the interest of the Company to appoint her as an Independent Director. Accordingly, the Board recommends the resolution in relation to her appointment as an Independent Director pursuant to provisions of Section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company.

The details as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 are provided as Annexure to the Notice.

Smt A. Syamala Reddy, 48 years, is a post graduate in M.Sc. (Home Science) and a Bachelor's degree in Science. She was a Director in various companies and having an industrial experience for more than 10 year.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Item No: 5

Shri R.K.Birla aged about 64 years old and he has worked with Poddar Products Limited as Chief Executive for 8 years and later in the year 1992 he joined the Company as Director (Operations). His vast experience in the Steel industry has helped the Company strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and overseas steel industry

During the financial year 2015-16, your Company has incurred a loss of Rs.10423.17 Lakhs. In case of loss or inadequacy of profits in any financial year during his tenure as Managing Director of the Company, the remuneration payable to him shall be

in accordance with the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time subject to the Compliance thereof but in any event shall not exceed the remuneration payable when the profits of the Company are adequate.

On the recommendation of the Nomination and Remuneration Committee of the Board, the Board of the Company (Board”) at its meeting held on August 27th, 2016, decided to pay the existing remuneration (i.e. Rs.120.36 lakhs per annum) subject to deduction of applicable taxes to Shri R.K.Birla, Managing Director, for the balance tenure of his office upto 27.01.2018.

In accordance with the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013, approval of shareholders is required for the resolution set out at Item No. 5 of the Notice.

Statement as per Section II, Part II of Schedule V of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION

- (1) **Nature of Industry: Iron & Steel Industry**
- (2) **Date or Expected Date of commencement of commercial production:**

The Company was incorporate on May 2nd, 1988 under the name of M/s. Sujana Steel Re-Rolling Industries Private Limited. The Company was incorporated with an object to manufacture Steel Re-rolled products. The Company was converted into public limited company on 20th April 1992.

Sujana Metal Products Limited (SMPL) is a Company engaged in the business of manufacturing and marketing value added steel products. SMPL is India’s premier integrated steel manufacturing company. The company’s integrated steel making facilities produce the entire range of steel products – sponge iron to finished steel.

- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.**

- (4) **Financial performance based on given indicators:**

Particulars	FY 2015-16 (12 months) (Rs in lakhs)	FY 2014-15 (12 months) (Rs in lakhs)	FY 2013-14 (12 months) (Rs in lakhs)
Total Revenue	349485.62	346189.69	286558.76
Total Expenses	363559.43	345623.34	289690.22
Profit After Tax	(10423.17)	93.76	(3815.56)
Dividend Rate	Nil	Nil	Nil

- (5) **Export performance and net foreign exchange earnings:**

Particulars	FY 2015-16 (12 months) (Rs in lakhs)	FY 2014-15 (12 months) (Rs in lakhs)	FY 2013-14 (12 months) (Rs in lakhs)
Export FOB Value	Nil	1820.29	26660.53
Earnings in Foreign Exchange	1994.02	1820.29	26660.53

- (6) **Foreign investments or collaborators, if any:**

- Investments in subsidiaries during 2015-16 : Nil
- Loans and advances to subsidiaries during 2015-16: Nil
- Investment in Share capital by Foreign Companies : Nil
- Foreign Collaborations : None

II. INFORMATION ABOUT THE APPOINTEE

- (1) **Background details:**

Name of the Director : Shri R.K. Birla

Age : 64 years

Qualification: MBA from BITS Pilani

Expertise and experience in specified functional areas:

He has worked with Poddar Products Limited as Chief Executive for 8 years and later in the year 1992 he joined the Company as Director (Operations). His vast experience in the Steel industry has helped the Company

SUJANA METAL PRODUCTS LIMITED

strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and overseas steel industry.

- (2) **Past Remuneration:** Last Remuneration drawn by Shri R.K.Birla was Rs.90.27 lakhs (Rupees Ninety Lakhs Twenty Seven Thousand only).

The members of the Company 23rd Annual General Meeting held on 30th September,2013 have fixed the remuneration of Rs.120,36,000/-(Rupees One Crore Twenty Lakhs Thirty Six Thousand Only) per annum to Shri R.K.Birla, Managing Director of the Company for a period of three years from 01.04.2013 to 31.03.2016.

- (3) **Recognition or awards:** Nil

- (4) **Job profile and his suitability:** Chief Executive Officer and Managing Director.

Considering the background, competence and experience of Shri R.K. Birla, Managing Director of the Company and also by considering the guidance and advices provided by him during his tenure as Managing Director of the Company, the Board feels he is the best suitable for the post of Managing Director.

- (5) **Remuneration proposed:**

The remuneration being proposed as approved by the Remuneration Committee of the Company and Board of the Company is Rs. 120,36,000/- (Rupees One Crore Twenty Lakhs Thirty Six Thousand Only) per annum, subject to deduction of applicable taxes inclusive of all perquisites and allowances but excluding Car Service provided by the Company and Telephone facility.

Salary break up details are as follows:

1. **Basic Salary :** Rs.8,50,000/- per month.

The perquisites are classified into three categories A , B and C as follows:

Category A:

1. **Housing:**

- (i) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 18% of the salary.

- (ii) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (i) above.

2. **Club Fees:** Fees of Clubs subject to a maximum of one club. This will not include admission and life membership fees.

Category B:

1. Contribution to provident fund superannuation or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act of 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.10,00,000/-
3. Earned/privilege leave:

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

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

Category C:

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

- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Shri R.K.Birla has held key positions in the Company ever since his employment in the year 1992. His vast experience in the steel industry has helped the Company strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and overseas steel industry.

His skill set and his experience places him in a correspondingly equal position to major steel companies in India. The remuneration proposed is reasonable as profile with respect to compared to size of the company, profile industry, size of the company, and position of the person as well as with respect profile and position of person to the industry.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Except for receiving remuneration from the Company as Managing Director, Shri R.K.Birla and his relatives had no other pecuniary relationship with the Company.

III. OTHER INFORMATION

(1) Reason of inadequate profits:

Your company has incurred a net loss of Rs.10423.17 lakhs for the financial year ended 31st March 2016. The major reasons among others are;

- Increase in cost of production.
- Delay in Sanction of adequate working capital by Banks. Non Release of working capital sanctioned by the banks. which is severely affecting the operations of the Company.
- Slowdown in the business due to unfavorable markets and delayed realization, increase in raw material consumption, overall reduction in quantitative discounts.
- High Finance Cost.
- Exports are declined due to a sharp decline in steel prices internationally coupled with weak demand.

(2) Steps taken or proposed to be taken for improvements:

- Technical Modifications and Technological Changes leading to increase in productivity & operational efficiency.
- Repayments of high interest debts in a phased manner.
- Efforts to improve the working capital of the Company.

(3) Expected increase in productivity and profits in measureable terms:

With an unprecedented raise cost, unfavorable markets and decline in exports, the margins are severely hit. As a result the profits of the company declined. To overcome these obstacles the company is commissioning new innovative techniques and tools to increase the productivity and profits.

Shri R.K.Birla, is interested in the resolution set out respectively at Item Nos. 5 of the Notice with regard to his respective appointment.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/his relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out in Item Nos.5 of the Notice for approval of members of the Company.

Item No. 6

It is proposed to change the name of the Company from "Sujana Metal Products Limited" to "Splendid Metal Products Limited" due to sentimental reasons of promoters of the Company and promoter's strong belief in numerology.

The proposed change in the name of the Company requires approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

A copy the Memorandum of Association and Articles of Association of the Company incorporating the above proposed changes is available (in physical or electronic mode) for inspection at the Registered Office and Corporate Office of the Company on any working day during working hours from 03.00 p.m to 05.00 p.m and copies thereof shall also be made available at the meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as Shareholders of the Company.

SUJANA METAL PRODUCTS LIMITED

Item No. 7

The Consortium of the Lenders of the Company (i.e. Punjab National Bank, Andhra Bank, Bank of Baroda, Bank of India, IDBI Bank Limited, Indian Overseas Bank, Indian Bank, Karnataka Bank Limited, State Bank of Patiala, Lakshmi Vilas Bank, Oriental Bank of Commerce and Stressed Assets Stabilisation Fund (SASF)) are proposing to invoke the provisions of Strategic Debt Restructuring Scheme (SDR) formulated by Reserve Bank of India vide Circular I DBR.BP.BC.No.101/21.04.132/2014-15, dated June 8, 2015, Circular II DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015, Circular III DBR.BP.BC.No.82/ 21.04.132 / 2015-16 dated February 25, 2016 and Circular IV DBR.No.BP.BC.103/21.04.132/2015-16 dated June 13, 2016 at their meeting held on 18th July, 2016 as set out in Item No.9 of this Notice, in accordance with which Preference shares may have to be issued to the lenders in terms of above scheme. Accordingly there is a requirement of increasing the Authorised Share Capital of the Company from Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each to Rs.1000,00,00,000/- (Rupees One Thousand Crores only) divided into 50,00,00,000 (Fifty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 7,50,00,000 (Seven Crores Fifty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each by further creation of 19,00,00,000 (Nineteen crores only) Equity shares of Rs. 5/- (Rupees Five only) and 7,05,00,000 (Seven Crores Five Lakhs only) Preference Shares Shares of Rs.100/- (Rupees One Hundred only) each.

The Board/Management Committee of the Board will finalise the desired level/limit of authorized share capital of the Company to be increased upto an extent of Rs. 1000 Crores (Rupees One Thousand Crores only) as required from time to time, keeping in view the proposed further issues of the Company.

The proposed increase in the Authorised Share Capital of the Company requires the approval of the members in the Annual General Meeting.

Consequent upon the increase in Authorised Share Capital of the Company, its Memorandum and Articles of Association also require alteration so as to reflect the increase in authorised share capital.

The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence, recommends the above resolution for your approval as a special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as Shareholders of the Company.

Item No.8

The Consortium of the Lenders of the Company (i.e. Punjab National Bank, Andhra Bank, Bank of Baroda, Bank of India, IDBI Bank Limited, Indian Overseas Bank, Indian Bank, Karnataka Bank Limited, State Bank of Patiala, Lakshmi Vilas Bank, Oriental Bank of Commerce and Stressed Assets Stabilisation Fund (SASF)) are proposing to invoke the provisions of Strategic Debt Restructuring Scheme (SDR) formulated by Reserve Bank of India vide Circular I DBR.BP.BC.No.101/21.04.132/2014-15, dated June 8, 2015, Circular II DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015, Circular III DBR.BP.BC.No.82/ 21.04.132 / 2015-16 dated February 25, 2016 and Circular IV DBR.No.BP.BC.103/21.04.132/2015-16 dated June 13, 2016 at their meeting held on 18th July, 2016 as set out in the Item No.9 of this Notice. In such an event, Preference shares may have to be issued to the lenders in terms of above scheme.

Therefore, it is proposed to issue and allot 'Cumulative Redeemable Preference Shares' (CRPS) of the face value of Rs.100/- (Rupees one hundred only) each, , for an aggregate value not exceeding Rs.750 crores (including existing paid up preference share capital) to

the lenders through conversion of existing loans and / or interest on such loans at such price or prices as the Board or duly authorized Management Committee thereof may in its absolute discretion think fit.”

This resolution empowers the Board / Committee of the Board of Directors, to issue CRPS of Rs.100/- each on such terms and conditions including but not limited as to the rate of dividend, period and manner of redemption, amount of premium, if any, as the Board/Management Committee in its absolute discretion may determine. The Board/Management Committee shall also be authorized to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the Subscribers/ holders of Preference Shares.

The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company. The authority conferred on the Board/Management Committee is continuing authority enabling it to make such further issue(s) of Preference Shares within such limit on appropriate terms and conditions on any subsequent redemption of such and / or outstanding Preference Shares or any part thereof from time-to-time, so however that the total Preference Share Capital outstanding at any point of time shall not exceed the Authorized Preference Share Capital stipulated under the Memorandum and Articles of Association of the Company. The Preference Shares shall rank in priority to Equity Shares for repayment of Capital and payment of Dividend. The Preference Shares shall be transferred in the same manner as Equity shares. The Preference Shares shall be redeemed in accordance to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company. However, the final terms and conditions of the issue of Preference Shares shall be determined by the Board/ Management Committee.

The consent of the shareholders is therefore being sought pursuant to the provisions of Section 62 of the Companies Act, 2013 read with the Companies (Share Capital & Debentures) Rules, 2014 , authorising the Board/Management Committee to raise additional capital by issue of Cumulative Redeemable Preference Shares in such manner or on such terms as the Board may deem fit in the manner proposed in the Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as Shareholders of the Company.

Item No. 9

At present

- the Business of the Company is highly working capital intensive
- Present Promoters not in a position to commit further funds at this stage
- Hence, scouting for new investor with strong financial muscle and experience in steel sector

Under the above circumstances, the Consortium of the Lenders of the Company (i.e. Punjab National Bank, Andhra Bank, Bank of Baroda, Bank of India, IDBI Bank Limited, Indian Overseas Bank, Indian Bank, Karnataka Bank Limited, State Bank of Patiala, Lakshmi Vilas Bank, Oriental Bank of Commerce and Stressed Assets Stabilisation Fund (SASF) hereinafter referred to as the “Lenders of the Company”), are proposing to invoke the provisions of Strategic Debt Restructuring Scheme as formulated by Reserve Bank of India under any of the below mentioned Circulars. The Consortium of the Lenders may stipulate issue of preference shares to the Lenders against the conversion of loans and interest accrued thereon, change of management to a new investor and any other applicable conditions.

1. Circular I: No. DBR.BP.BC.No.101/21.04.132/2014-15, dated June 8, 2015
2. Circular II: No. DBR.BP.BC.No.41/21.04.048/2015-16 September 24, 2015

SUJANA METAL PRODUCTS LIMITED

3. Circular III : DBR.BP.BC.No. 82/ 21.04.132 / 2015-16 dated February 25, 2016
4. Circular IV : DBR.No. BP.BC.103/21.04.132 / 2015-16 dated June 13,2016.

Therefore, in order to Honour the Lenders' proposed action, Shareholders' resolution for restructuring the debts of the Company/ change of management under SDR Scheme formulated by the Reserve Bank of India, may be required for which the approval of the members of the Company is sought by way of special resolution as set out in this notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as Shareholders of the Company.

Item No. 10

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on May 30th, 2016, has approved the appointment and remuneration of the M/s. Nageswara Rao & Co, (Member Ship No. 000332) Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company across various segments, for the financial year

ending 31st March, 2017 on a remuneration of Rs. 2,00,000/- (Rupees Two Lakh Only) plus reimbursement of actual expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD

Place : Hyderabad
Date : August 27th, 2016

R.K. BIRLA
Managing Director
DIN:00118776

Route Map to the AGM Venue : Katriya Hotel & Towers, # 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana.



Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

(in pursuance of Regulation 36(3) of the Listing Regulations, 2015)

Name of Director	Smt. A. Syamala Reddy	Shri S. Hanumantha Rao
Director Identification Number	02224082	00118801
Date of Birth	10.08.1966	18.07.1951
Date of Appointment	27.08.2016	19.07.1999
Expertise	She was a Director in various companies and having an industrial experience for more than 10 year.	He has worked for more than 20 years in State Bank of India and 3 years as Financial and Management Consultant.
Qualifications	M.Sc.	AICWA and B.Tech.
Directorship held in other public companies (excluding foreign companies)	<ol style="list-style-type: none"> 1. Bartronics India limited. 2. Vijay home appliances limited. 	<ol style="list-style-type: none"> 1. Sujana Universal Industries Limited 2. Sujana Holding Limited 3. Sujana Towers Limited 4. Sujana Projects Limited 5. Sujana Energy Limited 6. Sujana Power (India) Limited
Membership / Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders' Grievances Committee) C=Chairman, M=Member	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Bartronics India limited (M&C). 	<p>Audit Committee:</p> <ol style="list-style-type: none"> 1. Sujana Universal Industries Limited (M). 2. Sujana Towers Limited (M). <p>Shareholders' Grievances Committee:</p> <ol style="list-style-type: none"> 1. Sujana Towers Limited (M &C)
Shareholdings in the Company	Nil	7 (Trustee for odd lot Shares)
Relationship between directors inter-se	Nil	Nil

SUJANA METAL PRODUCTS LIMITED

DIRECTORS' REPORT

To

The Members of Sujana Metal Products Limited,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of your Company together with the Audited Financial Statements of Accounts for the Financial Year ended 31st March, 2016.

Company's Performance:

Your Directors hereby report that the Company has achieved a turnover of Rs. 348297.76 lakhs upto 31.03.2016 as against the turnover of Rs. 345159.78 lakhs during the previous financial year ended 31.03.2015.

The highlights of the financial results are as follows:

(Rs. In Lakhs)

Particulars	2015-2016	2014-2015
Profit Before Depreciation & Interest	12099.88	26052.58
Financial Costs	22661.43	21589.50
Depreciation	3512.26	3896.73
Profit/Loss Before Tax	(14095.61)	537.89
Provision for Tax		
- Current Tax	-	199.67
- Deferred Tax	(3672.44)	244.46
Profit/Loss After Tax	(10423.17)	93.76
Balance of profit brought forward from earlier years	11116.84	11040.67
Add: Excess Provision for IT written off		
Profit available for appropriation	693.67	11134.41
Appropriations:		
Proposed Dividend:		
- Equity	-	-
- Preference	-	14.93
- Dividend Tax	-	2.64
Balance of Profit	693.67	11116.84

Operations & Overall Performance:

During the year under review, your Company reported total income of Rs.349485.62 Lakhs as against Rs. 346188.86 lakhs of previous year. Your company incurred loss before tax of Rs. 14073.81 lakhs as against profit of Rs.566.35

lakhs in the previous year. After making a provision of Rs.22661.43 Lakhs towards interest and Rs.3512.26 Lakhs towards depreciation, the current financial year closed with a net loss of Rs.10423.17 Lakhs as against net profit of Rs.93.76 Lakhs last year.

The net worth of the Company as on 31st March, 2016 is Rs 62877.08 lakhs against Rs.69691.17 lakhs in 2014-15. Net worth is decreased by Rs. 6814.09 lakhs.

Consolidated turnover of Rs.414343.80 lakhs as against Rs.394248.21 lakhs in the previous year and Consolidated Loss before Tax of Rs.13602.74 lakhs as against Profit of Rs.1473.98 lakhs in the previous year.

Despite adverse Global as well as Indian economy, your Company performed moderately and Sujana Metal looks ahead to a hopeful further systematic robustness in the business and operation. Your Directors continue to identify opportunities to leverage and introduce technology to improve our performance, be it in operations, people management, and knowledge management and to strengthen proactive stakeholder relations.

Dividend:

In the absence of profit, your directors are unable to declare any dividend for the financial year 2015-16.

Your Company has always emphasized on achieving operational excellence and continues to focus on customer satisfaction and delight. Backed by strong fundamentals and robust plans your Company is fully prepared to face current challenges and benefit from expected medium and long term growth in Indian economy.

Prospects:

The Government is undertaking proactive policy initiatives for Infrastructure development and Industrial growth, which will accelerate steel demand in line with economic growth. However, concerns like poor availability of iron ore and inconsistent quality as well as high import dependency of coking coal need to be addressed.

Material Changes and Commitments:

There is no material change and commitment has occurred, affecting the financial position of the

Company, between the end of the financial year of the Company i.e. 31st March, 2016 and the date of this report.

Details of significant and material Orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future:

Company petition (C.P.175/2013) filed by Standard Bank (Mauritius) Limited (SBML) against the Company u/s 433 of the Companies Act, 1956, in connection with the corporate guarantee furnished by the Company on behalf of its step down subsidiary Optimix Enterprises Limited, Mauritius was admitted by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and The State of Andhra Pradesh. The Company has preferred appeal OSA 12 of 2015 against the said admission and the Company Petition No.175 of 2013 is pending for disposal. The Company is also exploring the process of settlement with Standard Bank (Mauritius) Limited.

Except the above, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

Deposits

Your Company has not accepted Deposits from Public or Members under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 for the year under review.

Related Party Transactions

The Board of Directors, on recommendation of the Audit Committee framed a policy for Related Party Transaction which includes matters covered u/s 178(3) of the Companies Act 2013. The details of the same are provided in the Corporate Governance Report. The Policy is also posted in the Investors section of the Company's website.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with

Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The requisite details of the related party transactions entered into during the financial year are provided in **Annexure - I** included in this report.

Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis.

None of the Directors, other than to the extent of their shareholding, receipt of remuneration / commission, has any pecuniary relationships or transactions vis-à-vis the Company.

Corporate Social Responsibility

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy in consonance with Section 135 of the Companies Act, 2013 read with the rules framed there under duly indicating the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Policy is posted in the Investors section of the Company's website.

The Annual Report on CSR activities is annexed herewith as **Annexure - II** and forms part of this report.

Directors' Responsibility Statement:

Directors' Responsibility Statement as required under the provisions of Section 134(3)(c) of the Companies Act, 2013, is given in the Annexure -III attached hereto and forms part of this Report.

Auditors:

(a) Statutory Auditors:

The Company's Statutory Auditors, M/s T. Raghavendra & Associates, Chartered Accountants [Registration No.003329S],

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Hyderabad will retire at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment for a term of 4 (Four) years i.e., from the conclusion of this Annual General Meeting to the conclusion of the 30th Annual General Meeting in accordance with Section 139 of the Companies Act, 2013.

M/s T. Raghavendra & Associates, has furnished written consent and a certificate of their eligibility obtained as required under second proviso of Section 139(1) of the Companies Act, 2013 read with the rules made thereunder. In terms of the Listing Regulations, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Your Board of Directors recommended the re-appointment of M/s T. Raghavendra & Associates, Chartered Accountants (Registration No. 003329S), Hyderabad, as Statutory Auditors of your Company. Your approval for such appointment is solicited.

Notes to the accounts as referred in the Auditor's Report are self-explanatory and does not contain any qualification and therefore, do not call for any further comments or explanations.

(b) Cost Auditors:

The Board of your Company has re-appointed M/s. Nageswara Rao & Co, Cost Accountants [Firm No.000332] as the Cost Auditor of the Company for financial year 2016-17 pursuant to provisions of Section 148 and other applicable provisions of the Companies Act 2013. The said Auditors have confirmed that their appointment, if made, shall be within the limits as prescribed under Section 141(3) of the Companies Act, 2013. The Cost Audit Report shall be submitted along with full information and explanation on every reservation or qualification contained therein, if any, and Annexure to the Central Government within stipulated time period.

As required by Section 148 of the Companies Act,2013, necessary resolution has been included in the notice convening the Annual General Meeting seeking ratification by the

members to the remuneration proposed to be paid to the cost auditors for the financial year ending 31st March,2017.

The Cost Audit Reports the financial year ended March 31, 2015 were filed within the prescribed period.

(c) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed Shri Y Ravi Prasada Reddy, Practicing Company Secretary to undertake the secretarial audit of the Company. The secretarial audit report issued by Shri Y Ravi Prasada Reddy Practicing Company Secretary for the financial year ending 31st March, 2016 is given in the Annexure- IV attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

Share Capital

The paid up equity share capital as on 31st March, 2016 was Rs.15050.54 Lakhs.

In pursuance of Special Resolution passed by the shareholders of the company through postal ballot on 20th March, 2015, to issue 9,95,60,000 equity shares of Rs.5/- each at par [as the price calculated in accordance with the Regulations for Preferential Issue under SEBI (ICDR) Regulations is less than the face value] to the promoters/promoters' group against the Promoters' contribution brought in the form of unsecured loans of Rs.49.78 Crores (Rupees Forty Nine Crores and Seventy Eight Lakhs only) as per the CDR package, by way of preferential allotment, the Company allotted 9,95,60,000 equity shares of Rs.5/- each to the promoters on 19.01.2016.

The Company has not issued any share with differential voting rights nor has granted any stock options or sweat equity as on 31st March, 2016. None of the Directors of the Company hold instruments convertible into equity shares of the Company.

Extract of Annual Return:

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and rules framed there under, the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure - V** and forms part of this Report.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given in the **Annexure - VI** attached hereto and forms part of this Report.

Meetings:

During the year under review 6 (Six) board meetings were held on May 27th, 2015, August 12th, 2015, August 28th, 2015, November 14th, 2015, December 28th, 2015 and February 12th, 2016. The maximum time gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Directors:

During the year under review, the members of the Company at their Annual General Meeting held on September 30th, 2015 appointed Smt B.Sandhyasri as Independent Directors under Section 149 of the Act to hold office for 5 (Five) consecutive years w.e.f March 30, 2015 and re-appointed Shri S. Hanumantha Rao, as the Director – Finance of the Company for a period a 5 (Five) years w.e.f. May 27th, 2015.

During the year, Smt B.Sandhyasri, an Independent and Non Executive Director of the Company resigned from the Board of Directors with effect from May 30th, 2016. The Board placed on record its sincere appreciation and thanks to Smt B. Sandhyasri for her support and guidance provided

from time to time during her tenure as Director of the Company. Shri S.Hanumantha Rao, resigned from the position of Director-Finance of the Company and continues as Non-Executive Director of the Company w.e.f: 28.12.2015

The Board has appointed Smt. A. Syamala Reddy as Additional Director (Independent Director) w.e.f August 27th, 2016 and now it is recommended her appointment to be regularized and be appointed for a period of 5(Five) years i.e from September 30th, 2016 to September 30th, 2021. Her appointment on the Board shall also fulfill the requirement of a Woman Director on the Board of the Company as required under the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Shri. S.Hanumantha Rao, Director of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Resolutions proposing their re-appointment/appointments as Directors will be placed before the Shareholders for their approval at the ensuing Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

None of the Directors of your Company is disqualified under Section 162 (2) of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

The following persons are Key Managerial Personnel of the Company:

Shri R.K. Birla : Managing Director

Shri Ch. Narayana Rao : Chief Financial Officer

Shri Shaik Ibraheem : Company Secretary

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During the year there is no change in the role of the aforesaid KMP.

For Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, forms part of this Report.

Board Evaluation:

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in the following manner:

Structured evaluation forms, 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, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.

The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.

The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 30th March, 2016 to evaluate the performance of the Chairman, the Non Independent Directors, the Board and flow of information from management.

Particulars of Employees:

The information required pursuant to the provision of Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are set out in Annexure-VII of this Report.

Management Discussion and Analysis Report:

Management Discussion and Analysis, forming part of this report as required under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is attached hereto as Annexure-VIII and forms part of this Report.

Corporate Governance:

Your Company is committed to principles of good Corporate Governance. The Board of Directors ensures that your Company is in compliance with all the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 pertaining to Corporate Governance. A detailed report on Corporate Governance is attached as Annexure-IX and forms part of this report. Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 is attached to this report.

Subsidiaries of the Company:

Details of the subsidiaries are given below:

S. No	Name of the Company	Status	Nature of Business	Country of Incorporation	Percentage of ownership interest
1	Glade Steel Private Limited	Subsidiary	It is engaged in the business of manufacturing, distributing, supplying, selling and other wise dispose of Rounds, Flats, Squares, Angles, Channels, Girders and Allied Products with installed capacity of 75,000 MT/per annum of re-rolling and 50,000 MT/per annum of MS ingots	India	51.15%
2	Asian Tide Enterprises Limited	Wholly Owned Subsidiary (WOS)	It was incorporated in Hong Kong for carrying on the business of trading of goods and services with accent on procuring raw materials (in bulk) for manufacturing activities of the Company (melting scarp for its rolling division) and sale surplus in the market.	Hong Kong	100%
3	Alpha Ventures Limited	Wholly Owned Subsidiary(WOS)	Alpha Ventures Limited has been promoted to carry out any object not prohibited by the Companies Law (2004) Revision, or as the same may be revised from time to time, or any other law of the Cayman Islands. As per the law prevailing in Cayman Islands	Cayman Islands	100%
4	Optimix Enterprises Limited	Stepdown Subsidiary (WOS of Asian Tide Enterprises Limited)	It was incorporated in Mauritius for carrying on the business or businesses which are not prohibited under the laws for the time being in force in the Republic of Mauritius. This includes (inter alia) to engage in the business of all forms of investments including but not limited to venture capital and private equity investments whether directly, indirectly through any special purpose vehicles or otherwise.	Mauritius	100%

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A separate statement containing the salient features of the Financial Statement for the financial year ended 31st March, 2016 of the aforesaid subsidiary companies are included in the Annual Report as Form AOC-1 as an 'Annexure -X'. The Financial statements of the said Subsidiaries Companies are available for inspection by the Shareholders at the Registered office of your Company. Your Company undertakes that the Financial statements of the Subsidiaries Companies shall be made available to the Shareholders of the Company on demand.

Consolidated Financial Statements:

The consolidated financial statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Regulations as prescribed by the Securities and Exchange Board of India (SEBI).

The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries.

Audit Committee:

Your Company has constituted an Audit Committee as per the requirements of Section 177 of the Companies Act, 2013. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013, is given in the Corporate Governance Report furnished as part of the Annual Report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

Internal Control Systems and their adequacy:

Your Company has an effective Internal Control System to prevent fraud and misuse of Company's resources and protect shareholders' interest. Your Company has an independent Internal Audit Department to monitor and review and focus on the compliances of various business processes. The internal audit report alongwith audit findings and tracking of process improvements & compliances is presented for review to the Audit Committee of Board of Directors.

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Corporate Social Responsibility Policy, Risk Management

Policy, Dissemination of Material Events Policy, Documents Preservation Policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and Conduct for Regulating, Code of Practices and Procedures for Fair Disclosures and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Vigil Mechanism:

The Board of Directors, on recommendation of the Audit Committee, established a vigil mechanism by framing a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination shall be meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee Chairman can be directly contacted to report any suspected or confirmed incident of fraud/ misconduct.

Remuneration Policy:

The Board of Directors, on recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration policy for selection, appointment and remuneration of Directors, KMP and Senior Management and matters covered u/s 178(3) of the Companies Act 2013. The details of the same are provided in the Corporate Governance Report.

The Policy is also posted in the Investors section of the Company's website www.sujana.com.

Particulars of Loans, Guarantees or Investments:

Particulars of Loans, Guarantees and Investments as required under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

Risk Management :

The Risk Management programme at the Company is focused on ensuring that risks are known and addressed. The Board of Directors, on recommendation of the Audit Committee, established a robust Risk Management framework

by framing a Risk Management Policy to deal with all risks including possible instances of fraud and mismanagement, if any. The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management process, procedures and related roles and responsibilities.

The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. The board periodically tracks the progress of implementation of the Risk Management policy.

Industrial Relations:

Your directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year.

Sexual Harassment Policy:

The Company as required under the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

In the year under review, the Company has not received any complaint under the said Policy.

Environment and Social Obligation:

The Company's plants comply with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspections including certification for the maintenance of the environment. The Company values environmental protection and safety as the major considerations in its functioning. The Company has adequate effluent Treatment Plants to prevent pollution. The Company is continuously endeavoring to improve the health and quality of life in the communities surrounding its industrial complexes.

Human Resource Management:

The Company believes that Human Resource is its most valuable resource, which has to be nurtured well and equipped to meet the challenges posed by the dynamics of Business Developments. The Company has a policy of continuous training of

its employees both in-house. The staff is highly motivated due to good work culture, training, remuneration packages and the values, which the company maintains. Your Directors would like to place on record their deep appreciation of all employees for rendering quality services and to every constituent of the Company be its customers, shareholders, regulatory agencies or creditors. Industrial relations have remained harmonious throughout the year.

Insurance:

All the properties and insurable assets of the Company, including Building, Plant and Machinery, stocks etc., wherever necessary and to the extent required, have been adequately covered.

Quality:

Your Company accorded high priority to quality, safety, training, development, health and environment. The Company endeavours to ensure continuous compliance and improvements in this regard.

Appreciations:

The Board of Directors take this opportunity to express their deep sense of gratitude to the Central, State Government and Local Authorities, Financial Institutions, Banks, Customers, Dealers, Vendors and all the stakeholders for their continued cooperation and support to your Company.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the successful operations of the Company.

The Board specially thank to the shareholders for their continued confidence and faith in the Company.

BY ORDER OF THE BOARD

R.K.BIRLA
Managing Director
DIN:00118776

S.HANUMANTHA RAO
Director
DIN:00118801

Place : Hyderabad
Date : August 27th 2016

SUJANA METAL PRODUCTS LIMITED

Annexure - I

Form No. AOC-2

Details of Related Party Transactions
(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

All contracts or arrangement or transaction with related parties at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
1	Sujana Universal Inds. Ltd (Group Company)	Sales & Purchases of Materials	On Going	Based on transfer pricing guidelines	Not applicable	Not applicable
2	Sujana Towers Ltd. (Group Company)	Sales & Purchases of Materials	On Going	Based on transfer pricing guidelines	Not applicable	Not applicable
3	Glade Steels Pvt Ltd.	Sales & Purchases of Materials	On Going	Based on transfer pricing guidelines	Not applicable	Not applicable

BY ORDER OF THE BOARD

R.K.BIRLA

Managing Director

DIN:00118776

S.HANUMANTHA RAO

Director

DIN:00118801

Place: Hyderabad

Date: August 27th 2016

Annexure - II

Annual Report on Corporate Social Responsibility (CSR) activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Board of Directors, on recommendation of the Corporate Social Responsibility (CSR) Committee framed a Corporate Social Responsibility Policy which is posted in the Investors section of the Company's website www.sujana.com. the Company proposes to take up the CSR activity by making donations to "Sujana Foundation" which is a registered non government organization to take up projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time.

2. Composition of the CSR Committee:

- a. Shri S Hanumantha Rao - Chairman
- b. Shri G Srinivasa Raju - Member
- c. Dr. K Srinivasa Rao - Member

3. Average net profit of the Company for last three financial years:

Average Net Profit of the Company for the last three years is (-) Rs.4714.99 lakhs, Hence not applicable.



4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Nil

5. **The Company is required to spend:** Nil

6. **Details of CSR spent during the financial year:**

Total amount spent for the financial year: Nil

Amount unspent, if any: N.A.

Manner in which the amount spent during the financial year is detailed below:

S. No.	Projects/ Activities	Sector	Locations (State)	Amount Outlay (Budget) Project or Programs wise	Amount Spent on Project or Programs wise	Cumulative expenditure upto reporting period	Amount Spent directly or through implementing agency
Not Applicable							

7. **Reasons for not spending two percent of the average net profit of the last three financial years on CSR:** Not Applicable

8. **The CSR Committee Confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the company :** Not Applicable

BY ORDER OF THE BOARD

R.K.BIRLA

Managing Director

DIN:00118776

S.HANUMANTHA RAO

Director

DIN:00118801

Place: Hyderabad

Date : August 27th 2016

Annexure - III

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, and on the basis of compliance certificate received from the executives of the Company and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- I. That in preparation of the Annual Accounts for the year ended 31st March, 2016; all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- II. That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year ended 31st March, 2016.
- III. That the Directors have taken proper and sufficient care 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. That the Annual Accounts for the year ended 31st March, 2016, has been prepared on a going concern basis.
- V. That proper internal financial control were in place and that the financial controls were adequate and were operating effectively.
- VI. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BY ORDER OF THE BOARD

R.K.BIRLA

Managing Director

DIN:00118776

S.HANUMANTHA RAO

Director

DIN:00118801

Place: Hyderabad

Date: August 27th 2016

SUJANA METAL PRODUCTS LIMITED

Annexure – IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

To,
The Members,
Sujana Metal Products Limited
18, Nagarjuna Hills, Punjagutta,
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sujana Metal Products Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31st, 2016, (i.e. from April 01st, 2015 to March 31st, 2016) 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:
 - a) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d) 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;
 - e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

- a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c. 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;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company operations are under general sector, there is no specific industrial law.
4. I have also examined compliance with the applicable clauses/regulations of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
 - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreements entered into with BSE Limited (BSE) 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. mentioned above.

5. The Company petition (C.P.175/2013) filed by Standard Bank (Mauritius) Limited (SBML) against the Company u/s 433 of the Companies Act, 1956, in connection with the Corporate Guarantee furnished by the Company on behalf of its step down subsidiary Optimix Enterprises Limited, Mauritius was admitted by the Hon' ble High Court of Judicature at Hyderabad for the State of Telangana and The State of Andhra Pradesh. The Company has preferred appeal OSA 12 of 2015 against the said admission and the Company Petition No.175 of 2013 is pending for disposal. The Company is also exploring the process of settlement with Standard Bank (Mauritius) Limited.

I 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 at least seven days 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

Place: Hyderabad
Date: May 30th, 2016

Y Ravi Prasada Reddy
Practising Company Secretary
CP No. 5360
Membership No. 5783

SUJANA METAL PRODUCTS LIMITED

Annexure – V

FORM No. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	L28120TG1988PLC008610
2	Registration Date	02.05.1988
3	Name of the Company	Sujana Metal Products Limited
4	Category/Sub-category of the Company	Company Limited By Shares Indian Non-Government Company
5	Address of the Registered office & contact details	8-2-248/1/7/18, Plot No. 18, Nagarjuna Hills, Panjagutta, Hyderabad-500082, Telanagana
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Bigshare Services Pvt.Ltd. 306, Right Wing, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082 Phone No: 040 – 2337 4967 Email: bsshyd@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	IRON AND STEEL PRODUCTS	241	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	GLADE STEEL PRIVATE LIMITED, Plot No.18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082, Telanagana	U27109TG2005PTC046213	SUBSIDIARY	51	Section 2(87) (ii)
2	ASIANIDE ENTERPRISES LIMITED Suite 605, 6/F.,China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong	NA	*WOFS	100	Section 2(87) (ii)
3	ALPHA VENTURES LIMITED Po Box 309Gt, Ugland House, South Church Street, George Town Grand Cayman, Cayman Islands	NA	*WOFS	100	Section 2(87) (ii)

*WOFS- Wholly Owned Foreign Subsidiary

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8,300,028	-	8,300,028	4.12%	3,200,028	-	3,200,028	1.06%	-3.06%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	67,044,720	-	67,044,720	33.28%	171,704,720	-	171,704,720	57.04%	23.76%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	7	-	7	0.00%	7	-	7	0.00%	0.00%
Sub Total (A) (1)	75,344,755	-	75,344,755	37.40%	174,904,755	-	174,904,755	58.11%	20.70%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	75,344,755	-	75,344,755	37.40%	174,904,755	-	174,904,755	58.11%	20.70%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	18,153,445	200	18,153,645	9.01%	15,047,201	200	15,047,401	5.00%	-4.01%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	18,153,445	200	18,153,645	9.01%	15,047,201	200	15,047,401	5.00%	-4.01%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	17,471,774	49,165	17,520,939	8.70%	16,457,305	51,665	16,508,970	5.48%	-3.21%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									

SUJANA METAL PRODUCTS LIMITED

i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	44,201,571	621,838	44,823,409	22.25%	45487432	614,638	46,102,070	15.32%	-6.93%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	44,170,335	-	44,170,335	21.93%	47043850	0	47,043,850	15.63%	-6.30%
c) Others (specify)	-	-	-	0.00%	0	0	-	0.00%	0.00%
Non Resident Indians	1,203,784	200	1,203,984	0.60%	1219816	200	1,220,016	0.41%	-0.19%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	0	0	-	0.00%	0.00%
Clearing Members	233,814	-	233,814	0.12%	183819	0	183,819	0.06%	-0.05%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies-D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	107,281,278	671,203	107,952,481	53.59%	110,392,222	666,503	111,058,725	36.90%	-16.69%
Total Public (B)	125,434,723	671,403	126,106,126	62.60%	125,439,423	666,703	126,106,126	41.89%	-20.70%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	200,779,478	671,403	201,450,881	100.00%	300,344,178	666,703	301,010,881	100.00%	

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Y.S.Chowdary	8,300,024	4.12%	1.6%	3,200,024	1.06%	1.06%	-3.06%
2	Yalamanchili Finance & Trading Pvt Ltd	26,766,585	13.29%	13.29%	131,426,585	43.66%	8.89%	30.37%
3	Sujana Pumps and Motors Private Limited	1,000,000	0.50%	0.50%	1,000,000	0.33%	0.33%	-0.16%
4	Shri S.Hanumantha Rao-Trusee for odd lot shares	7	0.00%	0	7	0.00%	0%	-0.00%
5	Sujana Holdings Limited	10,000,000	4.96%	4.96%	10,000,000	3.32%	3.32%	-1.64%
6	Foster Infin and Trading Private Limited	25,000,000	12.41%	12.41%	25,000,000	8.31%	8.31%	-4.10%
7	Golkonda Finance and Trading Private Limited	2,041,505	1.01%	1.01%	2,041,505	0.68%	0.68%	-0.34%
8	Prime Infoinvest Limited	2,236,630	1.11%	1.11%	2,236,630	0.74%	0.74%	-0.37%
9	Y.Padmaja	4	0.00%	0.00%	4	0.00%	0.00%	-0.00%
	Total	75,344,755	37.40%	34.87%	174,904,755	58.11%	23.34%	20.70%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Reason	Shareholding at the beginning of the year		% of total shares
			No. of shares	% of total shares	
1	At the beginning of the year	-	75,344,755	37.40%	-
2	Changes during the year	Allot	99,560,000	33.08%	58.11%
3	At the end of the year	-	-	-	58.11%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Stressed Assets Stabilization Fund						
	At the beginning of the year	1/4/2015		12,759,682	6.33%		
	Changes during the year	Nil		-	0.00%	-	0.00%
	At the end of the year	31/03/2016				12,759,682	4.24%
2	Raghunatha Reddy Meda						
	At the beginning of the year	1/4/2015		6,578,244	3.27%		
	Changes during the year	6/12/2015	Transfer	71,819	0.04%	6,650,063	3.30%
	At the end of the year	31/03/2016				6,506,682	2.16%
3	Prakash Arts Private Limited						
	At the beginning of the year	1/4/2015		5,500,000	2.73%		
	Changes during the year	Nil					
	At the end of the year	31/03/2016				5,500,000	1.83%
4	Sihari Babu Kancherla						
	At the beginning of the year	1/4/2015		3,045,481	1.51%		
	Changes during the year	Nil					
	At the end of the year	31/03/2016				3,045,481	1.01%
5	MRKR Constructions Pvt Ltd						
	At the beginning of the year	1/4/2015		1,425,000	0.71%		
	Changes during the year	5/6/2015	Transfer	25,000	0.01%	1,450,000	1
	At the end of the year	28/08/2015	Transfer	35,000	0.01%	1,485,000	0.74%
		31/03/2016				1,485,000	0.49%
6	Mubasher Hussain Ansari						
	At the beginning of the year	1/4/2015		949,203	0.47%		
	Changes during the year	08/05/2016	Transfer	65,000	0.03%	1,014,203	0.34%
		30/06/2015	Transfer	100,000	0.10%	1,114,203	0.31%
		23/10/2015	Transfer	98,848	0.10%	,213,051	0.21%
		30/10/2015	Transfer	101,152	0.04%	1,314,203	0.17%
		11/12/2015		54,500	0.01%	1,368,703	0.18%
	At the end of the year	31/03/2016				1,368,703	0.45%

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7	Sicom Limited						
	At the beginning of the year	1/4/2015		4,393,763	2.18%		
	Changes during the year	10/4/2015	Transfer	(231,717)	-0.12%		
		17/4/2015	Transfer	(200,000)	-0.10%		
		24/04/2015	Transfer	(110,772)	-0.05%		
		1/5/2015	Transfer	(50,000)	-0.02%		
		8/5/2015	Transfer	(110,776)	-0.05%		
		15/5/2015	Transfer	(100,000)	-0.05%		
		22/5/2015	Transfer	(127,944)	-0.06%		
		19/06/2015	Transfer	(100,000)	-0.05%		
		26/06/2015	Transfer	(150,000)	-0.07%		
		30/06/2015	Transfer	(50,000)	-0.02%		
		3/7/2015	Transfer	(150,000)	-0.07%		
		10/7/2015	Transfer	(250,000)	-0.12%		
		17/7/2015	Transfer	(200,000)	-0.10%		
		7/8/2015	Transfer	(152,465)	-0.08%		
		21/8/2015	Transfer	(600,000)	-0.30%		
		28/8/2015	Transfer	(100,000)	-0.05%		
		23/10/2015	Transfer	(32,570)	-0.02%		
		4/12/2015	Transfer	(50,000)	-0.02%		
		11/12/2015	Transfer	(50,000)	-0.02%		
		8/1/2016	Transfer	(190,000)	-0.09%		
		22/1/2016	Transfer	(25,000)	-0.01%		
		5/2/2016	Transfer	(25,000)	-0.01%		
		12/2/2016	Transfer	(50,000)	-0.02%		
	At the end of the year	31/03/2016				1,287,519	0.04%
8	Shiv Kumar Nathany						
	At the beginning of the year	1/4/2015		900,000	0.45%		
	Changes during the year	8/1/2015	Transfer	341,000	0.17%		
	At the end of the year	31/03/2016				1,241,000	0.41%
9	Indian Overseas Bank						
	At the beginning of the year	1/4/2016		1,000,000	0.56%	1,100,000	0.56%
	Changes during the year	Nil		-	0.00%	-	
	At the end of the year	31/03/2016				1,000,000	0.03%
10	RUKSANA AHMED						
	At the beginning of the year	1/4/2015		646,252	0.00%		
	Changes during the year	Nil			0.00%	-	0.00%
	At the end of the year	31/03/2016			0.00%	646,252	0.21%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shaik Ibraheem-cs						
	At the beginning of the year	1/4/2015		30,000	0.01%	30,000	0.01%
	Changes during the year	Nil		-		-	
	At the end of the year	31/3/2016				30,000	0.01%
2	R.K.Birla-Managing Director						
	At the beginning of the year	1/4/2015		506,605	0.25%		
	Changes during the year	26/06/2015	Transfer	(78,512)	-0.04%	428,093	0.14%
		21/08/2015	Transfer	(70,922)	-0.04%		0.12%
		28/08/2015	Transfer	(100,000)	-0.05%		0.09%
		08/01/2016	Transfer	(152,948)	-0.08%		0.03%
		15/01/2016	Transfer	(29,223)	-0.01%		0.02%
		15/01/2016	Transfer	(75,000)	-0.04%		0.00%
	At the end of the year	31/3/2016		-			0.00%
3	S.Hanumantha Rao-Non-Executive Director						
	At the beginning of the year	1/4/2015		7	0.00%	7	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016				7	0.00%
4	G.Srinivasa Raju-Non-Executive Director						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016			0.00%	Nil	0.00%
5	Dr.V.Malakonda Reddy - Independent Director						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					0.00%
	At the end of the year	31/3/2016				Nil	0.00%
6	Dr.K.Srinivasa Rao-Independent Director						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016			0.00%	Nil	0.00%
7	J.Ramakrishnan-Independent Director						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016				Nil	0.00%
8	Vimelsh Kumar (PNB Nominee)						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016			0.00%	Nil	0.00%

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9	Ch.Srinivasu(IDBI Nominee)						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016				Nil	0.00%
10	B.Sandhyasri-Independent Director						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016				Nil	0.00%
11	Ch.Narayana Rao-CFO						
	At the beginning of the year	1/4/2015		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31/3/2016				Nil	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	99,030.02	5,106.82		104,136.84
ii) Interest due but not paid	5,544.56			5,544.56
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	104,574.58	5,106.82	-	109,681.40
Change in Indebtedness during the financial year				
* Addition	52,382.07	80.66		52,462.73
* Reduction	24,240.72	5,112.48		29,353.20
Net Change	28,141.35	(5,031.82)	-	23,109.53
Indebtedness at the end of the financial year				
i) Principal Amount	119,530.16	75.00		119,605.16
ii) Interest due but not paid	13,185.76			13,185.76
iii) Interest accrued but not due				-
Total (i+ii+iii)	132,715.92	75.00	-	132,790.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs in Lakhs)
		R.K.Birla	S.Hanumantha Rao	
	Designation	Managing Director	Director-Finance*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90.27	10.35	100.62
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	90.27	10.35	100.62
	Ceiling as per the Act	The overall ceiling is as per limits stipulated in Schedule V / Section 197 of the Companies Act, 2013 the Act.		

*Shri S. Hanumantha Rao designated as Non-Executive Director w.e.f. 28.12.2015.

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs in lakhs)
		Dr.V. Malakonda Reddy	Dr.K. Srinivasa Rao	J. Ramakrishnan	B. Sandhyasri	
1	Independent Directors					
	Fee for attending board committee meetings	1.10	1.10	0.60	0.40	3.20
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1.10	1.00	0.50	0.40	3.20
2	Other Non-Executive Directors	G.Srinivasa Raju	Vimlesh Kumar (PNB Nominee)		Ch.Srinivasu (IDBI Nominee)	
	Fee for attending board committee meetings	-		0.40	0.30	0.70
	Commission	-		-	-	-
	Others, please specify	-		-	-	-
	Total (2)	-		0.40	0.30	0.70
	Total (B)=(1+2)					3.90
	Total Managerial Remuneration					104.52
	Overall Ceiling as per the Act	The overall ceiling is as per limits stipulated in Schedule V / Section 197 of the Companies Act,2013				

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C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Ch.Narayana Rao	Shaik Ibraheem	(Rs in lakhs)
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	12.38	42.38
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	30.00	12.38	42.38

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

Annexure - VI

Statement of particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8 of Companies (Accounts) Rules, 2014

A. Conservation of energy-

- a. Steps taken or impact on conservation of energy:
NIL
- b. Steps taken by the company for utilising alternate sources of energy:
NIL
- c. Capital investment on energy conservation equipment:
NIL

B. Technology absorption-

- a. Efforts made towards technology absorption;
NIL
- b. The benefits derived like product improvement, cost reduction, product development or import substitution;
NIL
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) NIL
 - i. the details of technology imported;
 - ii. the year of import;
 - iii. whether the technology been fully absorbed;
 - iv. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- d. Details of the expenditure incurred on Research and Development.
NIL

C. Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows

Rs. In Lakhs.

Particulars	Amount
Receipts	
Share Capital/Share application money	0
Foreign Loans	0
Exports	1994.03
Others	0
Total :	1994.03
Payments	
Imports	0
Travelling Expenses, Others	0.72
Total :	0.72

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Annexure - VII

Details pertaining to remuneration as required u/s 197(12) of The Companies Act, 2013 read with rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2015-16, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director / KMP (Designation)	Remuneration for FY 2015-16 (in lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2015-16
01	R.K.Birla, (Managing Director)	90.27	52.79	Nil
02	S.Hanumantha Rao (Director-Finance)*	10.35	6.05	Nil
03	Ch. Narayana Rao (Chief Financial Officer)	30.00	17.54	Nil
04	Shaik Ibraheem (Company Secretary)	12.38	7.24	Nil

*Shri S. Hanumantha Rao designated as Non-Executive Director w.e.f. 28.12.2015.

Notes:

- (a) None of the other directors expect as disclosed above draws any remuneration in the Company.
- (b) The median remuneration of employees of the Company during the financial year 2015-16 was Rs.1.71 lakhs against the median remuneration of Rs. 1.74 lakhs of the previous year.
- (c) The number of permanent employees on the rolls of Company as on March 31st, 2016 is 484.
2. **The Explanation on the relationship between average increase in remuneration and company performance:**

The average increase in remuneration during the financial year 2015-16 is Nil. The total employees cost for the financial year ended 31st March, 2016 is Rs. 1724.31 lakhs against Rs. 2155.76 lakhs for the financial year ended 31st March 2015. During the year the Company achieved a total income of Rs 349485.62 lakhs against Rs Rs. 346189.69 lakhs of last year. The Company incurred a net loss of Rs 10423.17 lakhs during the year 2015-16 as against a profit of Rs 93.76 lakhs in the year 2014-15. There has been no increase in remuneration of managerial personnel.

3. **Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**

Particulars	2015-16	2014-15
Total Revenue (Rs in lakhs)	349485.62	346189.69
Aggregate Remuneration of Key Managerial Personnel (KMP) in F.Y.2015-16 (Rs. In lakhs)	143.00	177.14
Remuneration of KMPs (as a % of revenue)	0.04	0.05

4. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over**

decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

Particulars	March 31st, 2016	March 31st, 2015	% of change
Market capitalisation (Rs in lakhs)*	6923.25	6386.00	8.41
Price Earnings Ratio	Nil	79.25	(100.00)

*Based on closing Market price on BSE on the respective year and dates.

Particulars	March 31st, 2016	October 30th, 1992 (IPO)	% of change
Market Price(BSE) (Rs)	2.30	10	(77.00)
Market Price (NSE) (Rs)	2.35	10	(76.50)

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year:

Not applicable since there was no increase in salaries as compared to the previous year.

6. Comparison of the each remuneration of the KMP against the performance of the Company:

S. No.	Particulars of Remuneration	KMP			
		R.K. Birla	S. Hanumantha Rao	Ch. Narayana Rao	Shaik Ibraheem
		Managing Director	Whole Time Director*	Chief Financial Officer	Company Secretary
1	Remuneration in FY 2016 (Rs in Lakhs)	90.27	10.35	30.00	12.38
2	Revenue in FY 2016 (Rs in Lakhs)	349485.62			
3	Remuneration as % of revenue	0.026	0.002	0.008	0.004

*Shri S. Hanumantha Rao designated as Non-Executive Director w.e.f. 28.12.2015.

7. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company:

There is no variable component availed by any Director

8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable, since no employees of the Company receives remuneration in excess of the highest paid director i.e., MD and there are no employees falling under Rule 5(2).

9. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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Annexure – VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Regulation 34 read with the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Directors wish to report as follows:

a) Economic Overview

Global recovery is facing multiple challenges, and is progressing at a weak pace. The picture emerging across the world is one of financial turbulence and uncertainty.

Among advanced economies, the US demonstrated resilience in FY 2015; and growth in the country is projected to continue at a moderate pace. The recovery in Euro Area during 2015-16 was modest and is projected to continue in the backdrop of a modest fiscal expansion, low energy prices and supportive financial conditions. However, potential growth is expected to remain weak, resulting from low investment, high private and public debt and diminishing skills due to increasing unemployment and an ageing population.

The scenario for emerging markets and developing economies is not consistent. The commodity exports of Russia and Brazil have been severely impacted by a fall in prices and owing to China's rebalancing act, which had a spill-over effect on the overall global trade. The economic performance of many African countries was also discouraging. Resource-intensive countries in Africa suffered a twin blow, caused by a decline in the commodity prices and tighter global financing conditions adversely affecting their markets.

India's GDP grew by 7.6% in FY 2015-16, making it one of the fastest growing major economies in the world. In the fourth quarter, the GDP grew at 7.9% which was a commendable performance. The policy initiatives of the government – albeit fallacious at times, declining fiscal deficit, low interest rates and moderating inflation have helped the Indian economy stay on a sustainable growth path. The growth rate is expected to touch 8% in FY 2016-17 on the back of a favourable monsoon. The government's Make in India campaign is helping India emerge as a hub for global manufacturing giants.

India's long-term growth potential continues to be strong with a focus on faster infrastructure creation, increasing urbanization, improving manufacturing and farm output, expanding the services sector and stronger regulatory framework for banking and financial services. Further, the Government of India's 'Make in India' initiative has encouraged domestic entrepreneurship and attracted more FDI into the country. The concept of Make in India is also expected to boost employment through skill development and make India a vibrant market for manufacturers.

b) Industry Structure and Developments:

The global steel industry is going through tough times. Global crude steel production reached 1,622.8 million tones (Mt) for the year 2015, down by 2.8% compared to that of 2014. Crude steel production declined in almost all regions in 2015. Steel demand in 2016 is likely to decline owing to slower pace of economic growth across the globe. Exports from China continue to penetrate markets all over the world, exerting downward pressure on the price of hot-rolled coils, which is pushing down prices to levels not seen since the last decade.

Although, global steel demand is expected to decline by 0.8% to 1,488 Mt in 2016, following a contraction of 3.0% in 2015, it is expected to return to growth in 2017, the world steel demand is likely to return to a growth of 0.4% and reach 1,494 Mt.

Steel demand in developed economies is expected to grow by 1.7% in 2016 and 1.1% in 2017 owing to economic volatilities. Steel demand in the US, though dampened by the fall in oil prices and a

strong dollar, is expected to brighten due to an improving job market and a robust housing sector. Steel demand in the US is expected to grow by 3.2% in 2016 and 2.7% in 2017. The EU saw a mild recovery in steel demand with generally improving economic sentiments and investment conditions. However, uncertainties in the political landscape related to the refugee crisis and Brexit raises risks to the improving economic condition. Steel demand in the EU is forecasted to grow by 1.4% in 2016 and a further 1.7% in 2017.

Weak exports, low commodity prices, capital outflows and China's rebalancing have worsened the macro scenario for emerging economies. Steel demand for Russia and Brazil are expected to contract strongly in future. In Turkey, steel demand is expected to grow by 3.3% in 2016 and 3.2% in 2017. Steel demand in the ASEAN 5 (Thailand, Malaysia, Vietnam, Indonesia and the Philippines) is also expected to sustain a growth rate of around 6% due to their infrastructure building activities; and will reach 74.6 Mt in 2017.

Steel demand in the emerging and developing economies excluding China is forecasted to grow by 1.8% and 4.8% in 2016 and 2017, respectively. Steel demand in these economies will touch 457.1 Mt in 2017, about 30% of world steel demand.

c) **Domestic Market**

During 2015-16, India emerged as the world's third-largest producer of crude steel, producing 89.6 MT crude steel in FY 2015-16 - an increase of 7.7% since last year, up from eighth position in 2003. The country witnessed an unprecedented inflow of cheap imports, which saw a significant increase in the last fiscal.

The industry growth is driven by an availability of raw materials such as iron ore and cost-effective labour. India's prospects are now brightening due to low oil prices, the reform momentum and policies to strengthen infrastructure and manufacturing output. The country's steel demand is projected to increase by 5.4% in both 2016 and 2017, reaching 88.3 Mt in 2017.

Steel demand in India is showing signs of a rebound, after the slowdown of the last two years. India is expected to become the world's second largest producer of crude steel in the next few years, moving up from the third position. Growing investments for infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural steel market can raise the country's per capita steel consumption considerably.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

During FY 2015-16, hot metal production increased at a rate of 1.3 per cent year-on-year to 57.13 MT, whereas the production for sale of total finished steel stood at 90.39 MT. India's consumption of total finished steel increased by 4.5 per cent to 80.45 MT during FY 2015-16.

Total finished steel exports during FY 2015-16 stood at 4.08 MT, whereas total finished steel imports stood at 11.71 MT for the same period. India's crude steel capacity has increased 7.6 per cent to 118.2 MT.

The steel sector in India contributes nearly two per cent of the country's Gross Domestic Product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 61.9 Kg in 2015-16.

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

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d) Opportunities & Threats :

In India, the steel Industry is passing through a challenging phase. Domestic consumption which was severely affected due to lack of activity in infrastructure, as well as in manufacturing space is now showing positive trends. The biggest challenge facing the domestic steel industry is to have the per capita steel consumption in India at par with the average global standards. The new Government at the center has, however, rekindled hope in the industry.

The ambitious infrastructure projects and the thrust in manufacturing through the “Make in India” campaign are steps in the right direction. The plan for smart cities, improved road and rail connectivity by building highways, bridges and dedicated freight and superfast rail corridors have huge potential to spur domestic steel demand.

Consuming sectors - construction, automobile and engineering are expected to grow in 2016-17, fuelled by the softening of interest rates, implementation of government policies, increase in spending for infrastructure and investment in the country.

Average prices for steel-making raw materials are likely to be stable. However, the Indian iron ore mining industry is undergoing a difficult phase given regulatory intervention in various states due to which the steel producers will continue to face inadequate availability of domestic iron ore in the short term. Exports are likely to be depressed. Fall in local steel use will leave China with huge exportable surplus which is a point of concern for India. Steel prices will also remain restrained due to global weak steel pricing trends during 2016-17.

e) Risks and Concerns :

In accordance with regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (erstwhile Clause 49 of the Listing Agreement), your Company has duly adopted steps for framing, implementing and monitoring the risk management plan and accordingly your Directors have put in place a critical risk management framework across the Company for identification and evaluation of all potential risks. Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business. All inherent risks are identified, measured, monitored and regularly reported to the management. The management decides required measures to overcome these risks and ensures implementation of proper risk mitigation plans. The risk report and mitigation plans are presented to the Board of Directors periodically.

f) Outlook

India's average Gross Domestic Product (GDP) growth has been estimated to grow by 7.3% in 2016 and 7.5 % in 2017, up from 7.2% in 2015 supported by industrial growth of which would gradually increase steel demand in the country.

India, according to World Steel Association (WSA) is one of the few countries to remain a “resilient” economy in the face of a “global slowdown” because of its commitment to “reforms”. Indian steel demand in 2016 is expected to rise by over 7% . Hopefully, good showing in manufacturing, mining and electricity sectors, will be sustained to generate improved demand for steel in the months ahead.

As always, your Company looks forward to do well in the year ahead and is optimistic of its abilities to address the set of opportunities and challenges that the coming year will present.

g) Internal Control Systems and their adequacy:

Your Company has an effective Internal Control System to prevent fraud and misuse of Company's resources and protect shareholders' interest. Your Company has an independent Internal Audit Department to monitor and review and focus on the compliances of various business processes. The

internal audit report alongwith audit findings and tracking of process improvements & compliances is presented for review to the Audit Committee of Board of Directors.

h) Discussion on Financial Performance with respect to operational performance:

The operating performance of the Company has been discussed in Directors Report under the head 'Financial Highlights' & 'Operations and Overall Performance' in the current period.

i) Segment Wise Performance:

Since your Company operates only in one Segment, segment-wise or product- wise analysis of performance is not applicable.

j) Statutory Compliance:

The Company has complied with the various provisions of the Companies Act, 2013, the SEBI regulations, Listing Agreements and provisions of various statutes. Compliance certificates are obtained from various units of the Company and the Board is informed of the same at every Board meeting.

k) Material developments in Human Resources:

The Company's human resource policies and strategies seek to ensure a high level of motivation among employees so that they play a significant role in achieving the Company's goal. The Company has initiated various in-house training programs for skill advancement. The Company accords highest priority to ensure safety and protection of health of its employees which are essential to, and form an integral part of, every HR development endeavor.

There were no cases of sexual harassment of woman at work place. Also, there are no instances of child labour/forced labour/ involuntary labour and discriminatory employment during the year.

Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations, labour relations and interest costs.

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Annexure – IX

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company's Philosophy is that Corporate Governance is a process which enables the Company to operate in a systemic manner to meet its ethical, legal and business expectations and at the same time fulfill its social responsibilities. The core value of Corporate Governance lies in integrity, transparency, high degree of disclosures, emphasis on product quality, adopting best business practices.

Your Company confirms the compliance of Corporate Governance as contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the details of which are given below:

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure:

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Executive Directors are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

2.2. Board composition, category of Directors, meetings and attendance Record of each director:

The Company has a balanced mix of Executive and Non-Executive Independent Directors to maintain the independence of the board and to separate the board functions of governance and management. As at March 31st ,2016, the Board of Directors comprises of 9(Nine) Directors, out of which one (1) is Managing Director, One (1) is Promoter and Non-Executive Directors, Four (4) of them are Independent and Non-Executive Directors including Women Director, one (1) is Non Executive Director and Two (2) are Nominee Directors. Shri Vimlesh Kumar - Punjab National Bank Nominee and Shri Ch. Srinivasu-IDBI Nominee. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

The Chairman is an Independent & Non-Executive Director of the Company. The number of Independent Directors are 4 which is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Hereinafter referred to as the "Listing Regulations,2015"). The number of Non-Executive Directors is more than 50% of the total number of Directors.

All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 25 of the Listing Regulations 2015.

No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013. None of the Directors on the Board are Independent Directors of more than seven listed companies and none of the Whole-time Directors are Independent Directors of any listed company

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (as specified in Regulation 26 of the Listing Regulations, 2015) across all the Companies in which he/she is a Director.

The information stipulated under Schedule II of the Listing Regulations, 2015 is being made available to the Board.

The details of composition of the Board of Directors as at March 31st, 2016, the attendance record of the Directors at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting (AGM) and as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given below are as given below:

Sl. No.	Name of the Director	Other Directorships ¹	Committee positions in other companies ²		No of Board Meetings attended out of 6 meetings held during the year	Attended last A.G.M
			As Chairman	As member		
Executive Director- Non-Promoter Group						
1.	Shri R.K. Birla Managing Director	3	-	-	6	Yes
Non-Executive Director						
2.	Shri S. Hanumantha Rao	9	1	3	5	Yes
Promoter-Non-Executive Director						
3.	Shri G. Srinivasa Raju	12	-	2	6	Yes
Independent & Non-Executive Directors						
4.	Shri J. Ramakrishnan	1	1	2	6	Yes
5.	Dr. K. Srinivasa Rao	1	1	1	6	Yes
6.	Dr. V. Malakonda Reddy	3	-	1	6	Yes
7.	Smt. B. Sandhyasri	2	-	-	4	Yes
Nominee Directors						
8.	Shri Ch. Srinivasu Nominee from IDBI	1	-	-	3	No
9.	Shri Vimlesh Kumar Nominee from PNB	1	--	-	4	No

Notes:

1. Including private limited Companies.
2. Only Audit and Shareholders' Grievances Committees considered.

Change in Composition of Board of Directors since the date of last AGM held on 30th September, 2015:

1. Resignation of Smt B. Sandhyasri, Independent & Non-Executive Director of the Company w.e.f. May 30th, 2016 and Smt. A. Syamala Reddy appointed as an Additional Director of the Company w.e.f. August 27th, 2016.
2. Shri S.Hanumantha Rao, Director of the Company has been designated as Non-Executive Director w.e.f: December 28th ,2015.

2.3. Board Meetings, Board Committee Meetings and Procedures:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Chairman and Managing Director are assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

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The Company believes that a Vibrant and Independent Board should be at the helm of affairs to ensure the highest levels of Corporate Governance. Accordingly your Company has always had adequate competent Independent Directors. For effective discharge of its functions and proper deliberations, Board has constituted various committees.

A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder.

Six (6) Board Meetings were held during the year 2015-16 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

- (1) May 27th , 2015
- (2) August 12th , 2015
- (3) August 28th , 2015
- (4) November 14th, 2015
- (5) December 28th, 2015
- (6) February 12th, 2016

In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant items.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps were taken by the Company to rectify instances of non-compliance, if any.

Independent Directors Meeting:

The Independent Directors met on March 30th, 2016 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Familiarization programme for Independent Directors:

The Company has held familiarization programme for the Independent Directors by way of presentations by business heads of the Company from time to time and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25(7) of SEBI LODR Regulations.

3. BOARD COMMITTEES:

In addition to functional Committees, your Board has constituted the following Committees as stipulated under the Listing Regulations,2015.

3.1 Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference, role and powers of the Audit Committee are as mentioned in Regulation 18(3) of the Listing Regulations,2015 read with Section 177 of the Companies Act, 2013 and includes

overseeing of the Company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

Composition and Procedure of the Audit Committee:

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.

The quorum for the audit committee shall be either two members or one third of the members whichever is higher and minimum of at least two independent directors.

The Audit Committee of your Company comprises of Three (3) members, out of which Two (2) are independent and non-executive directors and one (1) Non-Executive Director. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and of Regulation 18 of the Listing Regulations, 2015.

During the financial year 2015-16, the audit committee met Five times on the following dates:

- (1) May 27th , 2015
- (2) August 12th , 2015
- (3) August 28th , 2015
- (4) November 14th, 2015
- (5) February 12th, 2016

The necessary quorum was present at the meetings.

The Constitution of the existing Audit Committee and the attendance of each Member are as given below:

Sl. No.	Name of the Director & position in Committee	Category	No.of Meetings attended
1.	Dr. K.Srinivasa Rao -Chairman	Independent and Non-Executive Director	5
2.	Shri S. Hanumantha Rao –Member	Non-Executive Director	4
3.	Dr.V.Malakonda Reddy-Member	Independent and Non-Executive Director	5

Change in Composition of Audit Committee since the date of last AGM held on September 30th, 2015: Nil

Audit Committee meetings are attended by the Chief Financial Officer, Representatives of Statutory Auditors, representatives of Cost Auditors and Representatives of Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

3.2. Nomination and Remuneration Committee (Formerly known as Remuneration Committee)

Nomination and Remuneration Committee has been reconstituted by the Board of Directors. In compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of revised the Listing Regulations,2015, Remuneration Committee were renamed "Nomination and Remuneration Committee" of the Board of Directors of the Company.

The Scope of Nomination & Remuneration Committee is to review the remuneration package payable to Executive Director(s) and Executives in the top level Management of the Company and gives its recommendation to the Board and acts in terms of reference of the Board from time to time.

The Remuneration Committee of your Company comprises of three (3) members, all of them are non-executive directors, the chairman of the committee being an independent director.

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The existing Committee comprises of:

Sl. No.	Name of the Director & Position in the Committee	Category
1.	Dr. K. Srinivasa Rao	Independent and Non-Executive Director
2.	Shri J. Ramakrishnan	Independent and Non-Executive Director
3.	Dr. V. Malakonda Reddy	Independent and Non-Executive Director

During the year Two (2) Nomination and Remuneration Committee meetings were held on 27.05.2015 and 28.08.2015.

There were no changes in composition of Nomination and Remuneration Committee since the date of last AGM held on September 30th, 2015.

Remuneration Policy:

The remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the Nomination and Remuneration Committee to the Board.

Remuneration Packages paid to Executive Directors during the year:

Name	Salary P.A. (Rs in lakhs)	Commission / Incentives P.A. (Rs in lakhs)	Deferred Benefits (Perquisites) (Rs in lakhs)	Others (Rs in lakhs)	Total (Rs in lakhs)
Shri R.K.Birla	76.50	--	--	13.77	90.27
Shri S. Hanumantha Rao	10.35	--	--	-	10.35

Sitting Fee details:

Sl.No	Name of the Director	Sitting fee paid During the year (Rs)
1	Dr. K. Srinivasa Rao	110000
2	Dr. V. Malakonda Reddy	110000
3	Shri J. Ramakrishnan	60000
4	Shri Ch.Srinivasu (Nominee from IDBI Limited)	30000
5	Smt B. Sandhyasri	40000
5	Shri Vimlesh Kumar (Nominee from PNB)	40000
	Total	390000

The Company pays sitting fees at the rate of Rs. 10,000/- for each meeting of the Board and sub-committees attended by them.

Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2016:

Name of the Director	Designation	No. of Shares held
Shri G.Srinivasa Raju	Promoter & Non-Executive Director	Nil
Shri S. Hanumantha Rao	Non-Executive Director	7 (Trustee for odd lot shares)
Shri J. Ramakrishnan	Independent and Non-Executive Director	Nil
Dr. V. Malakonda Reddy	Independent and Non-Executive Director	Nil
Dr. K. Srinivasa Rao	Independent and Non-Executive Director	Nil
Smt B. Sandhyasri	Independent and Non-Executive Director	Nil
Shri Ch.Srinivasu	IDBI Nominee	Nil
Shri Vimlesh Kumar	PNB Nominee	Nil

3.3. Shareholders' Grievances Committee:

Scope of the Shareholders' Grievance Committee:

The Shareholders' Grievance Committee of your Company shall look into the redressing of shareholder and investor complaints like non-receipt of Balance Sheet, non-receipt of declared Dividend, etc.,

Constitution and Composition of the Shareholders' Grievance Committee:

The Shareholders' Grievance Committee of your Company comprises of two (2) members.

No Shareholders' Grievance Committee Meeting was held during the financial year 2015-16.

The existing Committee consists of Two Directors. The details of the same are:

Sl. No.	Name of the Director & position in the Committee	Category
1.	Shri G. Srinivasa Raju -Chairman	Promoter and Non-Executive Director
2.	Shri S. Hanumantha Rao	Non-Executive Director

Name and Designation of the Compliance Officer :

The name and designation of the Compliance Officer of your Company is Shri Shaik Ibraheem, Company Secretary of your Company.

Status of the Complaints:

Number of Shareholders Complaints received during the Financial Year 2015-16	3
Number of complaints not solved to the satisfaction of the shareholders	Nil
Number of pending Complaints	Nil

3.4. Share Transfer Committee:

The Share transfer committee comprises of Shri G.Srinivasa Raju and Shri R.K.Birla. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013. During the year under review the Share Transfer Committee met 4 (Four) times.

There are no share transfers pending for more than a fortnight.

3.5. Management Committee:

The Management Committee comprises of Shri G. Srinivasa Raju, Shri R.K.Birla and Shri S.Hanumantha Rao. The role, terms of reference, the authority and powers of the management committee are in conformity with the provisions of the Companies Act, 2013. During the year under review the management committee met 18 (Eighteen) times.

3.6. CSR Committee as per the provisions of Section 135 of Companies Act, 2013:

As per the Section 135 of the Companies Act, 2013, the Company is required to constitute a Committee viz., 'Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company consisting of three or more Director, out of which at least one Director should be Independent Director. In this connection, the CSR Committee was constituted by the Board Meeting held on May 30th, 2014 with the following Directors:

Sl. No.	Name of the Director & Position in the Committee	Category
1	Shri S. Hanumantha Rao - Chairman	Non-Executive Director
2	Shri G. Srinivasa Raju - Member	Promoter & Non-Executive Director
3.	Dr. K.Srinivasa Rao - Member	Independent & Non-Executive Director

SUJANA METAL PRODUCTS LIMITED

The terms of reference of CSR Committee shall, inter-alia, include the following:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time”.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher”.

No CSR committee was held during the year 2015-16.

The Company Secretary to the Company shall act as Secretary to the CSR Committee.

3.7. Risk Management Committee pursuant to Regulation 21 of the Listing Regulations, 2015:

As per the Regulation 21 of the Listing Regulations, 2015, the Company is required to constitute a Committee viz., ‘Risk Management Committee of the Board of Directors of the Company consisting of three or more Director. In this connection the Committee was constituted with the following Directors in the Board Meeting held on May 30th, 2014:

Sl. No.	Name of the Director & Position in the Committee	Category
1	Shri S.Hanumantha Rao -Chairman	Non-Executive Director
2	Shri G.Srinivasa Raju- Member	Promoter & Non-Executive Director
3.	Dr.K.Srinivasa Rao-Member	Independent & Non-Executive Director

The Risk Management Committee shall be responsible for framing, implementing & monitoring the risk management plan of the Company.

4. GENERAL BODY MEETINGS:

4.1 Details of Last three AGMS held :

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Location	Time	Details of Special Resolutions
1.	25th A.G.M	30th September, 2015	“Katriya Hotel & Towers”, Raj Bhavan, Somajiguda, Hyderabad - 500082	12.00 Noon	1. Re-appointment of Shri S.Hanumantha Rao, Director-Finance of the Company and to fix the remuneration.

2.	24th A.G.M	30th September, 2014	“Kohinoor”, Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500034	11.00 a.m	<ol style="list-style-type: none"> 1. Adoption of new set of Articles of Association of the Company pursuant to Section 14 of the Companies Act, 2013. 2. Approve the borrowing limits upto Rs.2500 crores in terms of Section 180(1)(c) of the Companies Act,2013. 3. Mortgage and/or charge any of movable and / or immovable properties of the Company in terms of Section 180(1)(a) of the Companies Act,2013.
3.	23rd A.G.M	30th September,2013	Hotel Sitara Residency, Beside Chandana Brothers, Ameerpet, Hyderabad-500 016	11.00 a.m	<ol style="list-style-type: none"> 1. Re-appointment of Shri R.K.Birla, Managing Director of the Company. 2. To fix the remuneration of Shri R.K.Birla, Managing Director of the Company w.e.f: 01.04.2013 for a period not exceeding three years. 3. Enhancement of the remuneration of Shri S.Hanumantha Rao, Director (Finance) of the Company w.e.f: 01.04.2013. 4. Lease or transfer the whole or substantially whole of the undertaking of the Company under the provisions of Section 293(1)(a) of the Companies Act,1956.

4.2 No Extra-ordinary General Meeting of the shareholders was held during the year.

4.3 ***Details of resolutions passed in the last year through postal ballot: Nil***

4.4 Details of special resolution which is proposed to be passed through postal ballot : Yes, for shifting of the Registered office of the Company from Hyderabad (the State of Telangana) to Mumbai (the State of Maharashtra) through separate postal ballot notice.

5. Disclosures:

(i) *Materially Significant related party transactions:*

There were no materially significant related party transactions during the year having potential conflict with the interest of the Company at large. The Company has formulated the Policy on Materiality of Related party transactions to decide the materiality for the related party transaction and to deal with related party transaction.

The said Policy has been posted on the website of the Company www.sujana.com. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

(ii) *Compliances:*

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the above.

(iii) *Risk Management:*

The Company has laid down procedures to inform the Board of Directors about the Risk

SUJANA METAL PRODUCTS LIMITED

Assessment and Minimization Procedure. These procedures are periodically reviewed by the Board to ensure that Executive management controls risk through means of a properly defined framework.

(iv) Code of Conduct

The Company has adopted a Code of Conduct as required under Listing Regulations, 2015, which applies to all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed their compliance with the Code on annual basis and their confirmations have been received in this regard. The Code of Conduct has been posted on the Company's website. A separate declaration to this effect signed by the Managing Director is attached.

(v) Vigil Mechanism:

In line with requirement of the Companies Act, 2013 and of Regulation 22 of Listing Regulations, 2015, the Board of Directors, on recommendation of the Audit Committee, established a vigil mechanism by framing a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination shall be meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee Chairman can be directly contacted to report any suspected or confirmed incident of fraud/misconduct.

(vi) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed Accounting Standards notified by Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

(vii) CEO & CFO Certification:

Shri R.K.Birla, Managing Director and Shri Ch. Narayana Rao, CFO of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of Listing Regulations, 2015.

(viii) Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the capital markets.

(ix) Compliance Certificate:

Compliance Certificate for Corporate Governance from the Practicing Company Secretary is annexed hereto and forms part of this Report.

(x) Details of the Compliance with Mandatory and Non-mandatory requirements of the Listing Regulations, 2015:

During the Financial year under review, your Company has duly complied with all the mandatory requirements of the Listing Regulations, 2015.

Following is the status of the compliances with Non-mandatory requirements.

- ❖ During the year under review there is no audit qualification on the Company's financial statements.

- ❖ The Chairman of the Board as a Non-executive Chairman and his position is separate from that of the Managing Director and CEO of the Company.
- ❖ The Internal Auditor reports to the Audit Committee of the Company.

(xi) It is confirmed that no personnel has been denied access to the Audit Committee.

(xii) Disclosure under Regulation 53(f) read with Schedule V of Listing Regulations, 2015.

- (a) None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independent of the director except receiving sitting fee for attending Board/Committee meetings.
- (b) None of the non-executive director is holding any shares in the Company.

(xii) Management Discussion and Analysis Report

A management Discussion and Analysis Report form part of this Annual Report and is in accordance with the requirements as laid down in the Listing Regulations, 2015.

(xiii) Shareholders Information

- (a) Appointment/Re-appointment of Directors: The brief resume of directors retiring by rotation , appointment of Directors and re-appointment of directors, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice for calling Annual General Meeting.
- (b) None of the Directors are related to each other.

(xiv) Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

6. Means of Communication

- (i)** Publication of Quarterly/Annual Financial Results in daily newspapers – Andhra Prabha (Telugu) or Financial Express (English) or Business Standard (English) and the same will be updated in the Company's Website at www.sujana.com
- (ii)** Furnishing the Quarterly/Annual Financial Results to Stock Exchanges in which Company's shares are listed.
- (iii)** Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Shareholders through Post/Courier/Email.
- (iv) Company's Corporate Website :**

The Company's website www.sujana.com is a comprehensive reference on Sujana Metal Products Limited's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The Section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback

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through online interactive forms. The Section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.

- (v) **Uploading on NEAPS & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE listing Centre for BSE
- (vi) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- (vii) **SEBI Complaints Redress System (SCORES):**
SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.
- (viii) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

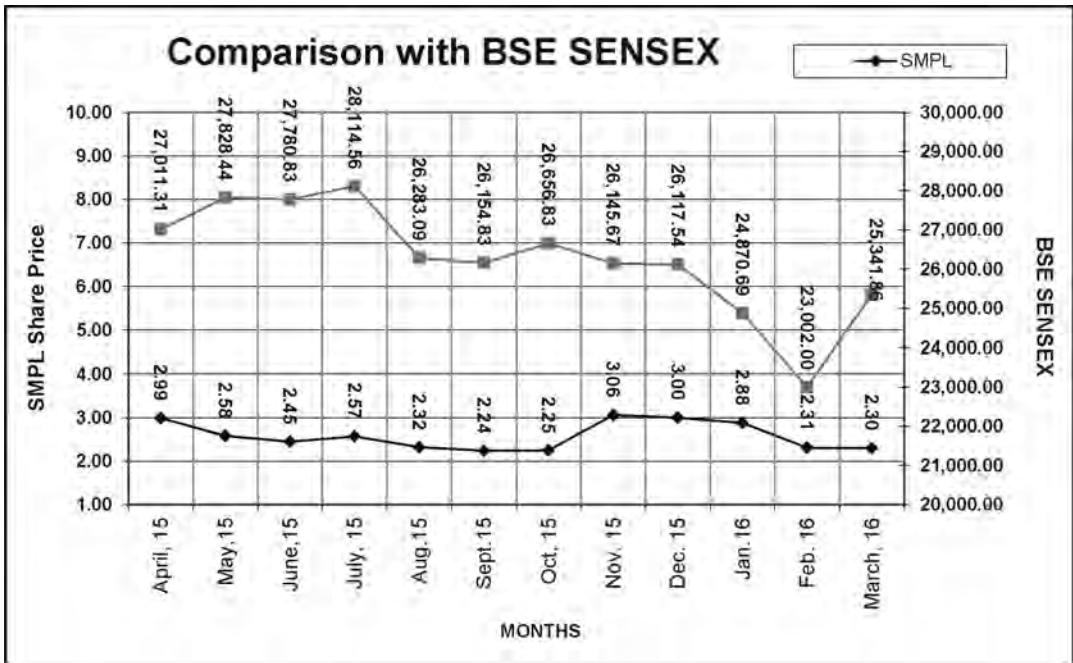
7. General Shareholders Information

1	Date	September 30th, 2016
2	Time	12.00 noon
3	Venue	Katriya Hotel & Towers, # 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana
4	Financial year	2015-2016, (consisting of 12 months from 01.04.2015 to 31.03.2016)
5	Book Closure Date	29.09.2016 (One day only)
6	Dividend Payment Date	Not Applicable
7	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra(E), Mumbai - 400 051.
8	Stock code	(a) BSE Scrip Code: 513414 NSE Symbol : SMPL (b) Demat ISIN for equity shares: INE215G01021 (c) Corporate Identity Number (CIN) :L28120TG1988PLC008610
9	Listing Fee	The Listing fee for the year 2015-2016 has been paid to both the above said Stock Exchanges.
10	E-voting facility	www.evoting.nsdl.com Open Date: September 26th, 2016@ 9:00 A.M. Closing Date: September 29th, 2016@ 5:00 P.M. cut-off date is September 23rd , 2016
11	Company's Website	www.sujana.com

Market Price Data:

The monthly high and low stock prices during the financial year 2015-16 and performance in comparison to the Broad-based indices such as BSE- Sensex is provided hereunder.

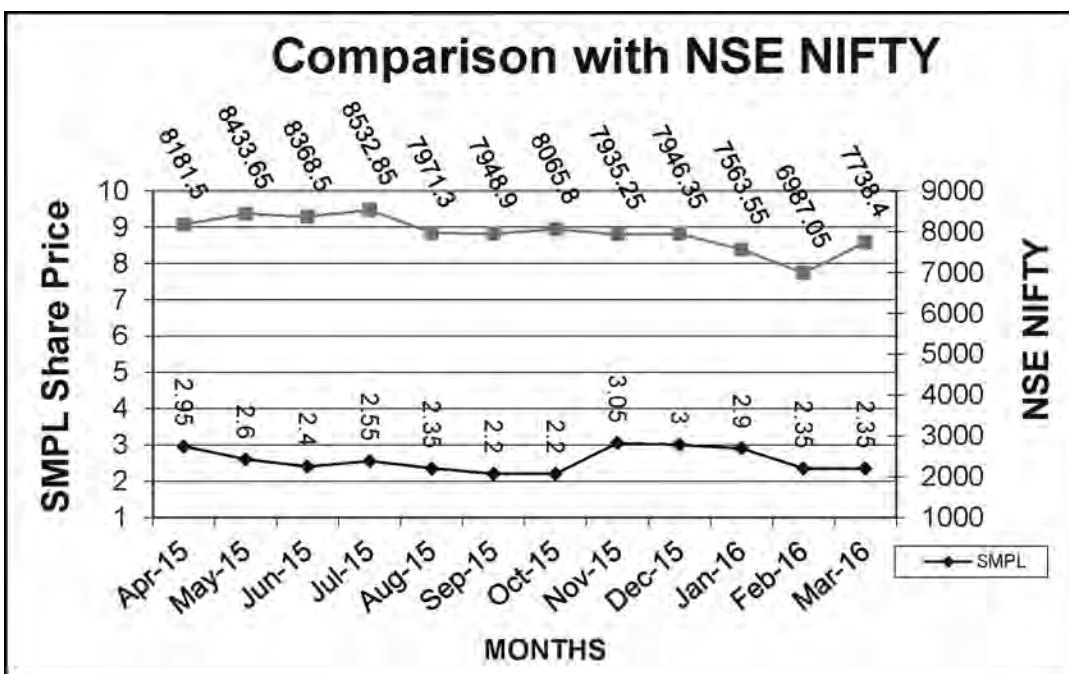
Month	High Price	Low Price	Close Price	BSE SENSEX
				(Closing)
April 2015	3.70	2.82	2.99	27,011.31
May 2015	3.24	2.30	2.58	27,828.44
June 2015	2.84	2.20	2.45	27,780.83
July 2015	2.87	2.30	2.57	28,114.56
August 2015	3.03	2.15	2.32	26,283.09
September 2015	2.50	2.05	2.24	26,154.83
October 2015	2.79	2.16	2.25	26,656.83
November 2015	3.06	2.00	3.06	26,145.67
December 2015	3.20	2.40	3.00	26,117.54
January 2016	4.32	2.51	2.88	24,870.69
February 2016	3.27	2.30	2.31	23,002.00
March 2016	2.89	2.25	2.30	25,341.86



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The monthly high and low stock prices during the financial year 2015-16 and performance in comparison to the Broad-based indices such as NSE-Nifty is provided hereunder.

Date	High Price	Low Price	Close Price	NSE-Nifty Closing
April 2015	3.70	2.90	2.95	8181.5
May 2015	3.25	2.15	2.60	8433.65
June 2015	2.90	2.20	2.40	8368.5
July 2015	3.00	2.30	2.55	8532.85
August 2015	3.15	2.10	2.35	7971.3
September 2015	2.45	2.00	2.20	7948.9
October 2015	2.75	2.15	2.20	8065.8
November 2015	3.05	2.00	3.05	7935.25
December 2015	3.20	2.40	3.00	7946.35
January 2016	4.30	2.50	2.90	7563.55
February 2016	3.25	2.25	2.35	6987.05
March 2016	2.60	2.15	2.35	7738.4



Share Transfer System :

Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently they are completing the process of transfer within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Pursuant to Regulation 40 of SEBI (LODR) Regulations 2015, certificates, on half-yearly basis, have been given by a Practicing Company Secretary duly certifying compliance of shares transfer formalities

Dematerialization of Shares :

99.78% of the Company's Paid-up capital has been dematerialized upto 31.03.2016 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	238766404	79.32
CDSL	61577774	20.46
Physical	666703	0.22
Total	301010881	100.00

Distribution of Shareholding :

As on 31st March, 2016, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholdings	No. of Shareholders	% of Shareholders
1. Upto - 5,000	7261372	2.41	22935	75.79
2. 5,001 - 10,000	3999595	1.33	2430	8.03
3. 10,001 - 20,000	4916260	1.63	1629	5.38
4. 20,001 - 30,000	5033076	1.67	995	3.29
5. 30,001 - 40,000	2550901	0.85	357	1.18
6. 40,001 - 50,000	4493855	1.49	468	1.54
7. 50,001-1,00,000	9538140	3.17	646	2.13
8. 1,00,001 and above	263217682	87.44	801	2.65
Total	301010881	100	30258	100

Pattern of shareholding as on 31st March, 2016 (Face Value: Rs.5/- each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	174,904,755	58.11
Financial Institutions/Banks	15047401	5.00
Body Corporate	16508970	5.48
Individuals	93145920	30.94
Others	1403835	0.47
Shares held by Custodians and against which Depository Receipts have been issued	Nil	N.A
Total	301010881	100.00

Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity:

There are no outstanding GDR/ADR/Warrants or any convertible instruments as on the date of this report.

Reconciliation of Share Capital Audit Report:

SEBI has vide its circular no: CIR/MRD/DP/30/2010 dated: 06.09.2010 renamed the Secretarial Audit Report as the Reconciliation of Share Capital Audit Report.

Reconciliation of Share Capital Audit Report in terms of SEBI Guidelines vide Circular No. CIR/MRD/DP/30/2010 dated 06th September, 2010, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is placed before the board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

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Plant Location:

S.No.	State	Location
1	Telangana	Survey No. 296/7/9, IDA Bollaram, Jinnaram Mandal, Medak District - 502 325, Telangana.
2	Telangana	Plot No. 4, Survey No.296/7/7, 8 & 11, IDA Bollaram, Jinnaram Mandal, Medak District - 502 325, Telangana.
3	Telangana	Survey No. 296/7/7, 296/7/8, 296/7/11, IDA Bollaram, Jinnaram Mandal, Medak District - 502 325, Telangana.
4	Telangana	Survey No. 296/7/7, 8 & 11, IDA Bollaram, Jinnaram Mandal, Medak District - 502 325, Telangana.
5	Telangana	Survey No. 196 & 197, Parigi Road, Elikatta Village, Shadnagar, Mahaboobnagar District, Telangana.
6	Telangana	Cut and Bend Division : Survey No. 204, 205 & 206, Elikatta Gram Panchayat, Farooq Nagar Mandal, Mahaboob Nagar District - 509 216, Telangana.
7	Telangana	Trading Division : Plot No. 4, Survey No. 296/7/7A, IDA Bollaram, Jinnaram Mandal, Medak District - 502 325, Telangana.
8	Telangana	Survey No. 473, 576 & 442,Chikatigudem, Kethepally Mandal, Nalgonda District - 508 211, Telangana.
9	Tamilnadu	Survey No. 204/8B, Manjankaranai Village, Chengai, M.G.R. District - 620 502, Tamilnadu.
10	Tamilnadu	Plot No. B-20E, SIPCOT Industrial Complex, Gummidipondi, Chennai, Tamilnadu.
11	Andhra Pradesh	Sanivada Village, Rajeevnagar, Visakhapatnam - 530 046.

Address for Correspondence :

S.No.	Name of the Office	Address
1	Company Secretarial Department	Plot No.18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082,Telangana. Phone No.2335 1882/85/87, Fax No: +91-40-23358499. Email: ibracs130276@sujana.com
2	Registered Office and Corporate Office	Plot No.18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082, Telangana.
3	Registrars and Share Transfer Agents:	M/s. Bigshare Services Private Limited, 306, Right Wing, Third Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082. Phone No.040-23374967 Email: bsshyd@bigshareonline.com

DECLARATION ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS IN TERMS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

I hereby declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel that they have complied with the Code of Business Conduct & Ethics for Board Members/ Senior Management Personnel in respect of the financial year 2015-16, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Listing Regulations, 2015.

Place: Hyderabad
Date: August 27th, 2016

R.K.Birla
Managing Director
DIN: 00118776



**CERTIFICATE UNDER REGULATION 17(8) OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) Regulations, 2015**

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 our company during the year which are fraudulent, illegal or violative 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 our company 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.
- 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 they 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.

CH. NARAYANA RAO
CHIEF FINANCIAL OFFICER

RAJ KUMAR BIRLA
MANAGING DIRECTOR

Place: Hyderabad
Date: 30.05.2016

Certificate on Corporate Governance

To
The Members of Sujana Metal Products Limited,

I have examined the compliance of conditions of Corporate Governance by M/s. Sujana Metal Products Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my knowledge and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

I further 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.

Place: Hyderabad
Dated: August 27th, 2016

Y. Ravi Prasada Reddy
FCS No:5783, CP No: 5360

SUJANA METAL PRODUCTS LIMITED

ANNEXURE - X

From AOC – I

(Pursuant to first Proviso to Sub Section 129 Read with Rule 5 Of Companies (Accounts) Rules, 2014) Statement Containing Salient Features of the Financial Statement of Subsidiaries

PART “A” Subsidiary companies

Particulars	Details										
Name of the Subsidiary	Reporting Currency and Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investment	Turnover	PBT	PAT	Proposed Dividend	% of Share holding
Reporting period for the subsidiary concerned is the same i.e. 31st March 2016											Rs. In lakhs
Glade Steel Private Limited	Indian Rupee	1318.84	142.92	6153.64	6153.64	-	-	-62.95	-64.18	-	51.15%
Asian Tide Enterprises Ltd	USD 66.18	11786.18	9421.10	92675.68	92765.68	-	9398.15	26.07	26.07	-	100%
Alpha Ventures Limited	USD 66.18	2320.71	12579.99	47639.47	47639.47	-	56647.88	507.97	507.97	-	100%

Part “B”: Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

NOT APPLICABLE

BY ORDER OF THE BOARD

Place: Hyderabad
Date: August 27th 2016

R.K.BIRLA
Managing Director
DIN:00118776

S.HANUMANTHA RAO
Director
DIN:00118801



INDEPENDENT AUDITORS' REPORT

To the
Members of
M/s. Sujana Metal Products Limited.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Sujana Metal Products Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. 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 these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

SUJANA METAL PRODUCTS LIMITED

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 18 and 20 forming part of the financial statements regarding the Trade Receivables which are long overdue to the extent of Rs. 20,756.12 of which Rs.663.04 lakhs was provided as doubtful debts by the management. And Rs. 404.23 lakhs of advances are long overdue of which Rs. 351.92 lakhs was provided as doubtful advances by the management.
- b) Refer note No. 31 regarding the winding up petition filed by Standard Bank (Mauritius) Ltd., in the High Court of Andhra Pradesh against the company for giving corporate guarantee for loan extended by the said bank to the step down subsidiary Optimix Enterprises Limited for Rs. 4,087.50 lakhs. We are unable to form an opinion on the uncertainty regarding the outcome of Andhra Pradesh High Court decision

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) 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 an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has not disclosed the impact of pending litigations on its financial position in its standalone 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 have been no 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 T.Raghavendra & Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra
Proprietor
Mem No 023806

Date: 30th May 2016
Place: Hyderabad

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section 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 **Sujana Metal Products Limited (‘the Company’)** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as 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 (the ‘Guidance Note’). 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors’ judgment, including the assessment of the risks of material misstatement of the standalone 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 audit 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

SUJANA METAL PRODUCTS LIMITED

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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For T. Raghavendra & Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra
Proprietor
Mem No 023806

Date: 30th May 2016
Place: Hyderabad



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

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

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Sujana Metal Products Limited ('the Company')

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. 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.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The Maintenance of Cost Records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have relied on the Cost audit report submitted by the Cost Auditors of the Company and according to the said report the Company has complied with the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable as detailed below:

Particulars	Outstanding > 6 months (Rs. in Lakhs)
Income Tax (Corporate Dividend Tax)	2.64
Total	2.65

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- (c) Details of dues of Income Tax, Sales Tax, Customs and Excise duty and Value Added Tax which have not been deposited as at March 31, 2016 on account of dispute are given below:

Disputed Statutory dues as on 31.03.2016			
Name of the Statute	Amount Rs. in Lakhs	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act , 1961	1479.26	2008-2011	Income Tax Appellate Tribunal
Central Excise Act, 1944	2333.00	1995-2013	Central Excise & Service Tax Appellate Tribunal
Customs Act, 1962	548.33 215.08 21.97 54.11	1998-2008 2009-2010 2012-2013 2013-2014	Commissioner (Customs) Sea Port, Chennai, CESTAT, Bangalore
Foreign Exchange Management Act, 1999	300.00	1995-1996	Hon'ble High Court of Delhi
APGST ACT, 1957	438.13 786.88	2002-2003 2003-2004	Sales Tax Appellate Tribunal, Commercial Tax Officer
Central Sales Tax Act, 1956	241.34 42.68	2006-2007 2007-2008	Appellate Dpty. Commissioner, Hon'ble High Court of Andhra Pradesh.
Tamilnadu Value Added Tax Act, 2006	394.92	2006-2007	Hon'ble High Court of Tamilnadu

There were no dues of duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2016 on account of dispute.

8. In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of loans or borrowings to banks. The details of the default is given below:

Details of over dues to Banks / Financial Institutions as on 31.03.2016			
Name of the Bank	Nature of default	Amount of Default in Rs.	Period of Default in days
Term Loans			
IDBI Bank Ltd 1779	Principle & Interest on Term Loans	2,255,208	363
Bank of India	Principle & Interest on Term Loans	6,261,458	284
Andhra Bank	Principle & Interest on Term Loans	6,323,958	180
Punjab National Bank - 4272	Principle & Interest on Term Loans	9,463,542	183
SASF CENNAI	Principle & Interest on Term Loans		
Principal		391,207,682	1399
Interest		188,612,572	1430
SASF HANDUM	Principle & Interest on Term Loans		
Principal		216,214,806	1307
Interest		26,445,731	1430
SASF VIZAG	Principle & Interest on Term Loans		
Principal		206,100,000	1307
Interest		125,331,277	1430
IDBI (Addl TL)	Principle & Interest on Term Loans		
Principal		266,667	364
Interest		203,041	364

Bank of India (Addl TL)	Principle & Interest on Term Loans		
Principal		280,208	274
Interest		315,154	80
Indian Overseas Bank	Principle & Interest on Term Loans		
Principal		160,417	366
Interest		176,728	366
Andhra Bank (Addl TL)	Principle & Interest on Term Loans		
Principal		282,292	183
Interest		308,352	195
PNB (Addl TL)	Principle & Interest on Term Loans		
Principal		422,917	195
Interest		451,297	195
IDBI (FITL 1)	Principle & Interest on Term Loans		
Principal		374,358	361
Interest		571,208	361
Bank of India (FITL 1)	Principle & Interest on Term Loans		
Principal		3,549,274	318
Interest		3,001,358	318
Bank of Baroda (FITL 1)	Principle & Interest on Term Loans		
Principal		241,238	242
Interest		340,349	242
Indian Bank (FITL 1)	Principle & Interest on Term Loans		
Principal		333,757	361
Indian Overseas Bank (FITL 1)	Principle & Interest on Term Loans		
Principal		497,263	361
Interest		1,785,093	177
Karnataka Bank Ltd (FITL 1)	Principle & Interest on Term Loans		
Principal		42,200	169
Interest		222,361	106
Andhra Bank Ltd (FITL 1)	Principle & Interest on Term Loans		
Principal		521,584	180
Interest		961,286	180
Punjab National Bank (FITL 1)	Principle & Interest on Term Loans		
Principal		917,472	88
Interest		1,671,884	119
State bank of Patiala (FITL 1)	Principle & Interest on Term Loans		
Principal		548,148	152
Interest		1,419,464	152
Bank of India (FITL 11)	Principle & Interest on Term Loans		
Principal		761,111	280
Interest		206432	260
Bank of Baroda (FITL 11)	Principle & Interest on Term Loans		
Principal		362000	240
Interest		308584	240
Indian Bank (FITL 1)	Principle & Interest on Term Loans		
Principal		255,556	366
Indian Overseas Bank (FITL11)	Principle & Interest on Term Loans		
Principal		520,000	366
Interest		207,142	366

SUJANA METAL PRODUCTS LIMITED

Karnataka Bank (FITL 11)	Principle & Interest on Term Loans		
Principal		200,000	119
Interest		86,174	119
Punjab Natioanl Bank (FITL 11)	Principle & Interest on Term Loans		
Principal		437,902	181
Interest		468,988	183
State Bank of Patiala (FITL 11)	Principle & Interest on Term Loans		
Principal		923,333	122
Interest		308,137	122
B) Letter of Credits			
Bank of Baroda	LC devolvment	1977.76	Apr. 2015 to March 2016
Karnataka Bank	LC devolvment	1877.18	Oct. 2015 to March 2016
Punjab National Bank	LC devolvment	16,839.33	Oct 2015 to March 2016

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For T. Raghavendra & Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra
Proprietor
Mem No 023806

Date: 30th May 2016
Place: Hyderabad



BALANCE SHEET AS AT 31ST MARCH, 2016

Rupees in lakhs

	Note No	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share Capital	3	15,174.99	11,565.91
b) Reserves and Surplus	4	47,702.09	58,125.26
		<u>62,877.08</u>	<u>69,691.17</u>
2 Non- Current liabilities			
a) Long-Term Borrowings	5	1,13,013.28	1,04,601.86
b) Deferred Tax liabilities (net)	6	3,403.03	7,075.47
c) Other Long-Term liabilities	7	216.36	197.95
d) Long-Term provisions	8	291.00	308.61
		<u>1,16,923.67</u>	<u>1,12,183.89</u>
3 Current liabilities			
a) Short-Term Borrowings	9	1,04,476.99	60,103.32
b) Trade Payables	10	13,166.26	61,991.20
c) Other Current liabilities	11	4,982.79	4,005.86
d) Short-Term provisions	12	2,091.25	2,207.05
		<u>1,24,717.29</u>	<u>1,28,307.43</u>
TOTAL		<u>3,04,518.04</u>	<u>3,10,182.49</u>
II. ASSETS			
1 Non- Current Assets			
a) Fixed Assets			
i) Tangible Assets	13A	45,798.97	49,435.05
ii) Capital Work in Progress		10,180.48	8,762.28
		<u>55,979.45</u>	<u>58,197.33</u>
b) Non-Current Investments	14	14,781.41	14,781.41
c) Long-Term Loans and Advances	15	1,318.22	1,506.83
		<u>72,079.08</u>	<u>74,485.57</u>
2 Current Assets			
a) Current Investments	16	4.16	4.69
b) Inventories	17	35,790.06	29,458.41
c) Trade Receivables	18	1,56,889.14	1,70,769.65
d) Cash and Bank Balances	19	1,219.44	2,906.33
e) Short-Term Loans and Advances	20	38,421.17	32,221.11
f) Other Current Assets	21	114.99	336.73
		<u>2,32,438.96</u>	<u>2,35,696.92</u>
TOTAL		<u>3,04,518.04</u>	<u>3,10,182.49</u>

See accompanying notes forming part of the financial statements 1-42

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & Associates

Chartered Accountants
FRN No: 003329S

T. Raghavendra

Mem. No : 023806
Place : Hyderabad
Date : 30th May 2016

R K Birla

Managing Director
(DIN: 00118776)

Ch. Narayana Rao
Chief Financial Officer

Place : Hyderabad
Date : 30th May 2016

S. Hanumantha Rao

Director
(DIN: 00118801)

Shaik Ibraheem
Company Secretary

SUJANA METAL PRODUCTS LIMITED

Statement of Profit and Loss for the year ended 31st March 2016

Rupees in lakhs

	Note No	For the year ended 31 March 2016	For the year ended 31 March 2015
I. REVENUE			
Revenue from operations (gross)		3,52,228.22	3,51,248.30
Less: Excise duty		3,930.46	6,088.52
Revenue from operations (net)	22	3,48,297.76	3,45,159.78
Other income	23	1,187.86	1,029.09
Total revenue		3,49,485.62	3,46,188.87
II. EXPENSES			
Cost of materials	24.a & b	3,36,064.55	3,10,442.78
Change in inventories of finished goods ,work in progress and stock- in-trade	24.c	(7,953.86)	(1,288.95)
Employee benefit expenses	25	1,724.31	2,155.76
Finance costs	26	22,661.43	21,589.50
Depreciation and amortisation expense	13A&13B	3,512.26	3,896.73
Other expenses	27	7,550.74	8,826.70
Total expenses		3,63,559.43	3,45,622.52
III. PROFIT BEFORE TAX (I-II)		(14,073.81)	566.35
Prior Period Expenses		21.80	28.46
Profit before tax after Prior period expenses		(14,095.61)	537.89
IV. TAX EXPENSE:			
a) Current tax expense for current year		-	113.31
b) MAT credit relating to earlier years		-	-
c) Current tax relating to earlier years		-	86.36
d) Deferred tax relating to earlier years		(405.38)	-
		(405.38)	199.67
e) Deferred tax for Current Year		(3,267.06)	244.46
		(3,672.44)	444.13
V. PROFIT FOR THE YEAR (III-IV)		(10,423.17)	93.76
Earnings per equity share of Rs. 5/- each (Refer Note No.31)			
Basic Rs.		(4.71)	0.04
Diluted Rs.		(4.71)	0.04

See accompanying notes forming part of the financial statements 1-42

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & Associates

Chartered Accountants
FRN No: 003329S

R K Birla

Managing Director
(DIN: 00118776)

S. Hanumantha Rao

Director
(DIN: 00118801)

T. Raghavendra

Mem.No : 023806

Place : Hyderabad

Date : 30th May 2016

Ch. Narayana Rao

Chief Financial Officer

Place : Hyderabad

Date : 30th May 2016

Shaik Ibraheem

Company Secretary



Cash flow statement for the Year ended 31 March 2016

Rupees in lakhs

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Cash flow from operating activities		
Net profit before tax	(14,095.61)	537.89
Adjustments for:	-	-
Depreciation and amortisation	3,512.28	3,896.73
Loss on sale of fixed assets (net)	41.92	3.41
Net unrealised exchange gain	-	(13.07)
Finance costs	22,661.42	21,589.50
Interest income	(218.21)	(231.09)
Loss on sale of current investment	-	-
Adjustments to the carrying amount of current investments	0.53	0.82
Operating profit before working capital changes	11,902.33	25,784.19
<i>Changes in working capital:</i>	-	-
<i>Adjustments for (increase) / decrease in operating assets:</i>	-	-
Inventories	(6,331.65)	(1,454.44)
Trade receivables	13,880.51	(4,319.17)
Long-term loans and advances	188.62	340.92
Short-term loans and advances	(6,200.06)	(13,503.91)
<i>Other current assets</i>	-	(1.64)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	-	-
Trade payables	(48,824.94)	20,477.82
Other current liabilities	976.92	(2,948.23)
Other long-term liabilities	18.42	78.67
Other Short-term liabilities	(86.49)	70.06
Provision for employee benefits	(17.61)	17.07
Cash generated from operations	(34,493.95)	24,541.34
Net income tax paid	(29.34)	(93.90)
Net cash flow from operating activities	(A) (34,523.29)	24,447.44
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(1,597.20)	(2,937.49)
Receipt of capital advances	-	-
Proceeds from sale of fixed assets	260.87	40.17
(Increase)/decrease in restricted cash	1,703.21	(941.44)
Advances given to subsidiaries	-	4,229.91
Advances realised from subsidiaries	-	-
Purchase of Current investments	-	(552.01)
Foreign Currency Translation Adjustment	-	-
Proceeds from sale of current investment- mutual fund units	-	-
Income from current investments received	-	-
Interest received	439.95	445.33
Net cash used in investing activities	(B) 806.83	284.47

SUJANA METAL PRODUCTS LIMITED

Cash flow statement for the Year ended 31 March 2016

Rupees in lakhs

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Cash flow from financing activities	-	-
Proceeds from issue of share capital	3,609.08	255.00
Share premium received / Capital Reserve	-	-
Proceeds from long-term borrowings	8,411.43	3,442.60
Repayment of long-term borrowings	-	-
Increase in short-term borrowings	44,373.68	(7,363.69)
Dividend paid including tax there on	-	(17.57)
Interest and other borrowing costs paid	(22,661.42)	(21,045.19)
Net cash (used in)/from financing activities (C)	33,732.77	(24,728.85)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	16.31	3.06
Cash and cash equivalents at the beginning of the year	167.83	164.76
Exchange difference on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	184.14	167.82

Notes:

- Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.
- Reconciliation of Cash and cash equivalents with balance sheet:

Cash and bank balances as per balance sheet		
Less: Balances in earmarked accounts	1,219.44	2,906.33
- balance held as margin monies	1,035.30	2,738.51
Net cash and cash equivalents at the end of the year	184.14	167.82

See accompanying notes forming part of the financial statements 1-42

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & Associates

Chartered Accountants
FRN No: 003329S

T. Raghavendra
Mem.No : 023806

Place : Hyderabad
Date : 30th May 2016

R K Birla

Managing Director
(DIN: 00118776)

Ch. Narayana Rao
Chief Financial Officer

Place : Hyderabad
Date : 30th May 2016

S. Hanumantha Rao

Director
(DIN: 00118801)

Shaik Ibraheem
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

“Sujana Metal Products Limited (SMPL) was incorporated in 02 May 1988 under the name of Sujana Steel Re-rolling Industries Private Limited. The name of the company was changed to Sujana Steels Private Limited on 30 March 1992. The company was converted into public limited company on 20 April 1992. The company further changed its name as Sujana Metal Products Limited w.e.f. 09 November 2001. The Company was promoted by Sri Y.S.Chowdary, his associates and relatives.

The company was incorporated with an object to manufacture of steel re-rolled products. SMPL is engaging in the business of manufacturing and marketing value added steel products. SMPL is categorized as a secondary steel producer in the Industry.

SMPL is currently engaging in the business of Manufacture and trading of steel products like Thermo Mechanically Treated (TMT) bars in different sizes, Structural steels like Ms Angles, Ms Squares, Ms Beams and Ms Channels etc and smart steel of varying shapes and dimensions for the construction and infrastructure sector.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.

b Use of Estimates

The preparation of financial statements are in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and any revision to accounting estimates is recognised prospectively in the period in which the results are known/materialised. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets.

c Fixed Assets and Depreciation and Amortisation

TANGIBLE ASSETS:

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

CAPITAL WORK-IN-PROGRESS: Projects under which tangible fixed assets are not yet ready

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

INTANGIBLE ASSETS Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated amortisation and impairment loss, if any.

DEPRECIATION AND AMORTISATION Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of asset	Years
Plant and machinery	8 to 40 years
Work-roll	1 year

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost. Intangible assets are amortised over their estimated useful lives on straight line method as follows: Class of assets Years Computer software 3 to 5 years Licenses 3 to 5 years The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".

Current Investments are stated at lower of cost or market value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term Investments are stated at cost comprising of acquisition and incidental expenses. Provision is made to recognize a diminution, other than temporary, in the value of such investments.

e Revenue Recognition

Revenue is recognized when it is earned and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of manufactured goods is recognized on physical delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from traded goods is recognised on symbolic delivery. Significant risk and rewards incidental to ownership are transferred upon issuance of tax invoice and acknowledged by the customers.

Sales are net of sales returns and trade discounts. Export turnover includes related export benefits. Excise duty recovered is presented as a reduction from gross turnover.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f Inventories

Raw materials are valued at cost or net realisable value, whichever is lower. Cost is ascertained based on weighted average cost method.

Finished goods produced and purchased are valued at cost or net realisable value, whichever is lower.

Excise duty in respect of finished goods produced and awaiting despatch is included in valuation of the Inventory.

Stores and Spares are carried at cost, ascertained on a weighted average basis. Necessary provision is made in case of obsolete and non-moving items.

g Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 'Employee Benefits' notified by the Companies (Accounting Standards) Rules, 2006

Defined Benefit Plan

i) Gratuity

"In accordance with the Payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. Liability on account of gratuity is:

– covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India & Bajaj Alliance Life Insurance Company contributions are charged to revenue; and

– balance is provided on the basis of valuation of the liability by an independent actuary as at the year end."

ii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

Defined Contribution Plan

i) Provident Fund

Contribution to Provident fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognised as expense as they fall due based on the amount of contribution required to be made.

h Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of transactions and in case of purchase of materials and sale of goods, the exchange gains / losses on settlements during the year, are charged to Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the date of Balance Sheet. Exchange gains / losses including those relating to fixed assets are dealt with in the Statement of Profit and Loss.

i Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

j Taxes on Income

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax. Current tax is measured at

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws.

Minimum Alternate Tax (MAT) provision in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the near future period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations at the reporting date.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

k Earnings per Share

The Company reports Basic and Diluted Earnings Per Share (EPS/DEPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

l Impairment of assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

m Provisions, Contingent Liabilities and Contingent Assets

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31st March 2015
Note 3: Share capital		
Authorised		
i) 310,000,000 (31.03.2015:310,000,000) Equity Shares of Rs.5 each	15,500.00	15,500.00
ii) 4,500,000 (31.03.2015:4,500,000) Preference Shares of Rs. 100 each	4,500.00	4,500.00
Issued, subscribed and fully paid up		
i) 301,010,881 (31.03.2015:201,450,881) Equity Shares of Rs. 5 each	15,050.54	10,072.54
ii) 124,447 (31.03.2015:1,493,365) 1% Cumulative Redeemable Preference Shares of Rs.100 each	124.45	1,493.37
	15,174.99	11,565.91

Notes:

i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year**

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Number	Amount	Number	Amount
a) Equity(including shares represented by underlying GDRs)				
Shares outstanding at the beginning of the year/period	2014,50,881	10,072.54	1963,50,881	9,817.54
Shares issued during the year/period	995,60,000	4,978.00	51,00,000	255.00
Shares bought back during the year/ period	-	-	-	-
Shares outstanding at the end of the year/ period	3010,10,881	15,050.54	2014,50,881	10,072.54
b) Cumulative Redeemable Preference Shares				
Shares outstanding at the beginning of the year/period	14,93,365	1,493.37	14,93,365	1,493.37
Shares Issued during the year/period	-	-	-	-
Shares redeemed during the year/period	13,68,918	1,368.92	-	-
Shares outstanding at the end of the year/period	1,24,447	124.45	14,93,365	1,493.37

ii) **Details of shares held by each shareholder holding more than 5% shares:**

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% held	No. of Shares held	% held
a) Equity shares of Rs. 5 each fully paid				
Yalamanchili Finance & Trading Pvt Ltd	1314,26,585	43.66	267,66,585	13.29
Foster Infin and Trading Pvt Limited	250,00,000	8.31	250,00,000	12.41
Stressed Assets Stabilisation Fund	127,59,682	4.24	127,59,682	6.33
Sujana Holdings Limited	100,00,000	3.32	100,00,000	4.96
b) Cumulative Redeemable Preference Shares of Rs.100 each fully paid				
IDBI Bank Limited	1,24,447	100.00	14,93,365	100.00

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
iii) The company has only one class of shares referred to as equity shares having a par value of Rs. 5/- fully paid up. Each holder of equity shares is entitled to one vote per share held.		
iv) Redemption of Cumulative Redeemable Preference Shares (CRPS).		
1,493,365 1% of Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1493.37 lakhs is redeemable in 12 quarterly installments co-terminus with principal payment commencing from October 01, 2013 and ending July 01, 2016. CRPS carry cumulative dividend @ 1% per annum. . Each holder of CRPS is entitled to one vote per share only on resolutions placed before the company which directly effect the rights attached to CRPS.		
Note 4: Reserves and surplus		
i) Capital reserve		
Opening balance	9,880.43	9,880.43
Add: Additions during the year/period	-	-
Closing balance	9,880.43	9,880.43
ii) CRPS redemption reserve		
Opening balance	1,493.37	1,493.37
Add: Additions during the year/period	-	-
Closing balance	1,493.37	1,493.37
iii) Securities premium account		
Opening balance	34,935.98	34,935.98
Add: Premium on shares issued during the year/period	-	-
Closing balance	34,935.98	34,935.98
iv) General reserve	698.64	698.64
v) Surplus in statement of profit and loss		
Opening balance	11,116.84	11,040.67
Add: Profit for the year/period	(10,423.17)	93.76
Less: Appropriations		
Proposed dividend on CRPS	-	14.93
Dividend distribution tax	-	2.66
CRPS redemption reserve	-	-
Closing balance	693.67	11,116.84
	47,702.09	58,125.26



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 5: Long term borrowings		
Secured		
a) Term loans from		
i) Banks	37,946.69	29,998.21
ii) Financial institutions	11,672.65	11,060.01
b) Other Loans		
i) FITL - I	13,980.20	14,264.17
ii) FITL - II	1,899.39	2,036.73
iii) W C T L	47,512.60	47,236.89
c) Vehicle loans from		
i) Banks	1.75	5.85
ii) Others	-	-
	1,13,013.28	1,04,601.86

Notes:

- Loan from banks viz. Punjab National Bank, Bank of India, Indian Overseas Bank, IDBI Bank, State Bank of Patiala, The Karnataka Bank Ltd., Bank of Baroda, Laxmi Vilas Bank, Indian Bank, Oriental Bank of Commerce and Andhra Bank are secured by first charge on all the immovable and movable fixed assets of the company both present and future and second charge on the current assets of the company. Further these loans are secured by personal guarantees of director and promotor. Loan from SASF are Secured by 1st charge on Unit at Sanivada Village, Rajeevnagar, Visakhapatnam - 530 046, Andhra Pradesh, Unit at Plot No. B-20E, SIPCOT Industrial Complex, Gummidipondi, Chennai, Tamilnadu and Unit at Survey No. 296/7/7, 8 & 11, IDA Bollaram, Jinnaram Mandal, Medak District - 502325, Telangana.
- The terms of repayment and rate of interest on the loans from banks and financial institutions mentioned in the Note No. 39
- Vehicle loans from banks are secured by hypothecation of the vehicles financed through the loan arrangements and are repayable over a period of 36 months to 60 months.

	As at 31 March 2016	As at 31 March 2015
Rupees in lakhs		
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	7,113.72	7,564.37
Deferred tax asset:		
Provision for employee benefits	143.61	151.38
Provision for doubtful trade receivables, loans and advances	313.62	337.52
Other Business Loss	3,253.46	-
	3,710.69	488.90
Deferred tax liabilities (net)	3,403.03	7,075.47
Note 7: Other long-term liabilities		
Security Deposits	190.46	170.46
Govt. Grands - Differed Receivable	25.90	27.49
	216.36	197.95
Note 8: Long-term provisions		
Provision for Employee benefits	291.00	308.61
	291.00	308.61

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 9: Short-term borrowings		
Loans repayable on demand		
Secured		
From Banks	1,04,401.99	54,996.50
Unsecured	-	-
From Others	75.00	5,106.82
	1,04,476.99	60,103.32
i) Loans repayable on demand includes an amount of Rs. 1,04,401.99 lakhs (31.03.2015:Rs.54,996.50 lakhs) represents working capital loans from banks are inter alia secured by way of parri passu first charge on current assets and parri passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of certain directors.		
ii) Rs. 75.00 lakhs has been brought from others.		
Note 10: Trade payables		
Acceptances	-	37,275.63
Other than acceptances	13,166.26	24,715.57
	13,166.26	61,991.20
Note 11: Other current liabilities		
Current maturities of long-term debt	8.14	-
Other payables	963.38	893.93
Statutory remittances	190.23	241.45
CRPS Payable	1,368.92	-
Payables on purchase of fixed assets	28.45	13.45
Advances from customers	2,423.67	2,857.03
	4,982.79	4,005.86
Note 12: Short-term provisions		
Provision for employee benefits	173.74	157.95
Provision for current income tax	1,914.87	1,944.19
Provision for proposed dividend on CRPS	-	99.74
Provision for tax on proposed dividend	2.64	5.17
	2,091.25	2,207.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13A: Tangible Assets

(Amt in Lakhs)

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01 April 2015	Additions	Deletions	As at 31 March 2016	As at 01 April 2015	For the period	Deletions	As at 31 March 2016	As at 31 March 2015
Land- Freehold	2,207.44	-	-	2,207.44	-	-	-	2,207.44	2,207.44
Buildings	5,143.38	105.02	221.87	5,026.52	1,159.91	164.30	0.20	1,324.01	3,983.47
Plant & Machinery	67,648.51	91.06	144.71	67,594.87	26,570.22	2,873.93	62.00	29,382.16	41,078.29
Electrical Installation	2,942.39	0.20	-	2,942.59	1,126.76	375.58	-	1,502.34	1,815.63
Furniture & Fixtures	89.45	-	0.18	89.27	65.66	4.54	0.03	70.17	19.09
Office Equipment	177.65	1.78	0.89	178.55	142.09	14.04	0.25	155.88	22.67
Vehicles	678.81	0.68	54.38	625.12	415.65	53.56	36.99	432.22	263.16
Computers	964.23	-	-	964.23	936.51	26.30	-	962.81	1.42
TOTAL (A)	79,851.86	198.75	422.02	79,628.59	30,416.81	3,512.26	99.46	33,829.60	49,435.05
Previous Period	78,022.80	1,884.76	55.70	79,851.86	26,532.58	3,896.73	12.51	30,416.81	51,490.22

Note 13B: Intangible Assets

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01 April 2015	Additions	Deletions	As at 31 March 2016	As at 01 April 2015	For the period	Deletions	As at 31 March 2016	As at 31 March 2015
Goodwill	28.68	-	-	28.68	28.68	-	-	28.68	-
Computer Software	-	-	-	-	-	-	-	-	-
Total (B)	28.68	-	-	28.68	28.68	-	-	28.68	-
Previous Period	28.68	-	-	28.68	28.68	-	-	28.68	-
Grand Total (A+B)	79,880.54	198.75	422.02	79,657.26	30,445.48	3,512.26	99.46	33,858.28	49,435.05
Previous Period	78,051.48	1,884.76	55.70	79,880.54	26,561.26	3,896.73	12.51	30,445.49	51,490.22

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 14: Non-current investments		
(At cost unless otherwise stated)		
Trade		
Investment in equity instruments in subsidiaries		
Alpha Ventures Limited	2,320.71	2,320.71
5,010,000 (31.03.2015 : 50,10,000) Shares of USD 1.00 each fully paid up		
Glade Steels Private Limited	674.51	674.51
674,514 (31.03.2015 : 674,514) Equity Shares of Rs.100 each fully paid up		
Asian tide Enterprises Limited	11,786.19	11,786.19
202,269,600 (31.03.2015 : 202,269,600) Shares of HK \$ 1.00 each fully paid up		
	14,781.41	14,781.41
Note 15: Long-term loans and advances		
i) (Unsecured and considered good)		
a) Security deposits	210.20	155.69
b) MAT credit entitlement	290.66	290.66
c) Deposits with government authorities	817.36	1,060.48
(A)	1,318.22	1,506.83
ii) Doubtful		
a) Security deposits	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02
	351.92	351.92
Less: Provision for doubtful advances	351.92	351.92
(B)	-	-
(A+B)	1,318.22	1,506.83
Note 16: Current investments		
(At lower of cost and fair value)		
Investment in mutual funds (Quoted)		
SBI - PSU fund dividend	5.00	5.00
50,000 (31.03.2015: '50,000' units purchased during the earlier period)	-	-
Less: provision for diminution in the value of investment	(0.84)	(0.31)
	4.16	4.69
Aggregate amount of quoted investments	5.00	5.00
Aggregate provision for diminution in the value of current investments	0.84	0.31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 17: Inventories (At lower of cost and net realisable value)		
Raw materials	1,586.84	3,013.36
Finished goods	33,211.17	25,257.31
Stores and spares	992.05	1,187.74
	<u>35,790.06</u>	<u>29,458.41</u>
Note 18: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	45,840.44	63,570.92
Considered Doubtful	663.04	691.30
	<u>46,503.48</u>	<u>64,262.22</u>
Less: Provision for doubtful trade receivables	663.04	691.30
(A)	<u>45,840.44</u>	<u>63,570.92</u>
Other trade receivables		
Considered Good	1,11,048.70	1,07,198.73
Considered Doubtful	-	-
	<u>1,11,048.70</u>	<u>1,07,198.73</u>
Less: Provision for doubtful trade receivables	-	-
(B)	<u>1,11,048.70</u>	<u>1,07,198.73</u>
(A+B)	<u>1,56,889.14</u>	<u>1,70,769.65</u>
Note 19: Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	13.42	26.37
Balances with Banks:	-	-
In current accounts	170.72	141.46
In EEFC account	-	-
In Deposit accounts	-	-
Other bank balances	-	-
In earmarked accounts	-	-
Balance held as margin monies	1,035.30	2,738.50
	<u>1,219.44</u>	<u>2,906.33</u>
Note 20: Short-term loans and advances		
i) (Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties	2,051.71	2,051.71
Security deposits	31.01	21.75
Loans and advances to employees	15.65	31.10
Prepaid expenses	28.18	10.62
Balances with government authorities	-	-
CENVAT credit receivable	491.90	1,466.64
VAT credit receivable	1.24	92.54
Advances for supply of goods and rendering of services	35,099.90	27,732.60
Others	701.58	814.15
	<u>38,421.17</u>	<u>32,221.11</u>
Short term loans and advances include amounts due from:		
Directors	-	-
Note 21: Other current assets		
Interest accrued but not due on deposits	114.99	336.73
	<u>114.99</u>	<u>336.73</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 22: Revenue from operations		
a) Sale of products		
i) Manufactured	31,597.28	48,846.03
ii) Traded & Processed Goods	3,15,577.93	2,94,086.72
iii) Exports	-	1,820.29
b) Other operating revenues		
Conversion income	1,122.55	406.74
Total	<u>3,48,297.76</u>	<u>3,45,159.78</u>

Particulars of sale of products	Year ended 31 March 2016		Year ended 31 March 2015	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
A Manufactured goods				
TMT Bars	51,945	16,024.18	80,223	29,558.59
MS Channels	5,167	1,580.90	6,694	2,416.74
MS Beams	14,054	4,248.25	9,820	3,695.31
Others	62,631	9,743.95	62,174	13,175.39
Total	<u>1,33,797</u>	<u>31,597.28</u>	<u>1,58,911</u>	<u>48,846.03</u>
B Traded goods				
TMT Bars	6,56,392	2,65,922.82	6,39,308	2,63,084.91
M S Scrap	7,926	1,414.16	6,134	1,159.30
Others	42,813	48,240.95	37,042	31,662.79
Total	<u>7,07,131</u>	<u>3,15,577.93</u>	<u>6,82,484</u>	<u>2,95,907.00</u>

	Year Ended 31 March 2016	Year Ended 31 March 2015
Note 23: Other Income		
a) Interest on deposit with banks and others	218.21	231.09
b) Liabilities/Provisions no longer required written back	36.31	233.71
c) Net gain on foreign currency transactions and translations	783.75	436.77
d) Profit on sale of fixed assets (net)	-	0.01
e) Rental income from operating leases	9.00	9.00
f) Miscellaneous income	11.53	101.84
g) Increase/(decrease) of excise duty on inventory	129.06	16.67
	<u>1,187.86</u>	<u>1,029.09</u>
Note 24a. Cost of materials		
Opening Stock	3,013.36	2,776.94
Add : Purchases	3,34,638.03	3,10,679.20
	<u>3,37,651.39</u>	<u>3,13,456.14</u>
Less : Closing stock	1,586.84	3,013.36
	<u>3,36,064.55</u>	<u>3,10,442.78</u>
Less : Transfer to capital work in progress	-	-
	<u>3,36,064.55</u>	<u>3,10,442.78</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

Note 24.a. Details of raw materials consumed

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
Pig/Sponge Iron/Scrap	82,843	4,136.62	1,29,969	12,228.36
Billets / Blooms	70,351	15,828.95	1,07,070	33,166.39
MS Products	41,658	10,360.24	3,974	1,403.43
MS Ingots			169	55.16
TMT Bars	6,793	2,043.75	8,932	3,154.93
Total*	2,01,645	32,369.56	2,50,114	50,008.27
Less: Transferred to capital work in progress	-	-	-	-
Total	2,01,645	32,369.56	2,50,114	50,008.27

Note 24.b: Details of Purchase of traded goods

TMT Bars	6,68,388	2,51,364.48	6,52,769	2,52,643.46
MS Rebars	27,952	45,893.27	60	23.66
H R Coils and C R Coils		-	-	-
Others	18,303	5,353.10	28,280	7,350.18
M S Scrap	6,213	1,084.14	1,907	417.21
Total	7,20,856	3,03,694.99	6,83,016	2,60,434.51

	Year Ended 31 March 2016	Year Ended 31 March 2015
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Note 24.c: Changes in inventories of finished goods, work in progress and stock-in-trade

Inventories at the beginning of the year:

Finished goods	25,257.31	23,968.36
Work in progress	-	-
Stock in trade	-	-
	25,257.31	23,968.36

Inventories at the end of the year:

Finished goods	33,211.17	25,257.31
Work in progress	-	-
Stock in trade	-	-
	33,211.17	25,257.31
Net (increase) / decrease	(7,953.86)	(1,288.95)

Note 25: Employee benefit expenses

Salaries, wages and bonus	1,557.91	1,966.53
Contribution to provident and other funds	122.16	144.99
Staff welfare expenses	44.24	44.24
	1,724.31	2,155.76

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2016	Year Ended 31 March 2015
Note 26: Finance costs		
Interest expense on Borrowings	22,322.65	20,106.47
Other borrowing costs	338.78	1,483.03
	22,661.43	21,589.50
Note 27: Other expenses		
Consumption of stores, spares and consumables	976.29	1,335.46
Power and fuel	4,468.40	4,674.09
Other manufacturing expenses	183.36	219.02
Equipment hire charges	25.93	30.79
Job work charges	372.45	436.15
Rent includes lease rentals	117.44	176.43
Repairs and Maintenance-Buildings	0.97	4.41
Repairs and Maintenance-Machinery	53.86	67.82
Repairs and Maintenance-Others	26.91	25.31
Insurance	22.38	30.23
Rates and taxes	86.52	84.76
Factory maintenance	29.61	60.21
Printing and stationery	18.41	31.46
Communication	34.68	46.94
Travelling and conveyance	196.98	379.28
Legal and professional	188.92	201.07
Payments to auditors (Refer Note (i) below)	33.19	44.94
Security Charges	107.46	123.52
Donations	10.16	1.11
Adjustments to carrying amount of current investments	0.53	(0.82)
Sales commission	41.83	12.13
Sales discount	71.39	46.58
Business promotion	19.06	142.71
Freight outwards	328.38	551.36
Directors' fees	3.90	3.20
Miscellaneous expenses	89.81	95.12
Loss on sale of fixed assets	41.92	3.42
	7,550.74	8,826.70
Note (i): Payments to the auditors		
As auditors -statutory audit	33.19	44.94
Other Services	-	-
Total	33.19	44.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Employee Benefits

Defined contribution plans:

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.63.18 lakhs (31.03.2015: Rs.69.26 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the scheme.

Defined benefit plans:

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Compensated absences

Liability for retiring gratuity as on March 31, 2016 is Rs.207.60 lakhs (31-3-2015: Rs.313.12 lakhs) of which Rs.13.47 lakhs (31.3.2015: 2.65lakhs) is funded with the Life nsurance Corporation of India and Bajaj Allianz Life Insurance Company. The balance of Rs.194.13 lakhs (31-3-2015: Rs.310.46 lakhs) is included in Provision for Gratuity. The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

Details of the company's post-retirement gratuity plans for its employees including whole time directors are given below, which is certified by the actuary and relied upon by the auditors.

Amount to be recognised in balance sheet

(Rupees in lakhs)

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	207.60	73.68	281.28
	313.11	155.17	468.28
Fair value of plan assets	(13.47)	-	(13.47)
	(2.65)	-	(2.65)
Net liability	194.13	73.68	267.81
	310.46	155.17	465.63

Note: In accordance with the payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees.

The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India, Bajaj Allianz life Insurance company and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that their overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expenses to be recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	28.30	-81.48	-53.18
	<i>41.35</i>	<i>18.07</i>	<i>59.42</i>
Interest Cost	24.42	12.1	36.52
	<i>24.51</i>	<i>11.24</i>	<i>35.75</i>
Expected return on plan assets	(0.23)	-	(0.23)
	<i>(0.46)</i>	-	<i>(0.46)</i>
Actuarial (Gains)/Losses	(116.66)	(0.67)	-117.33
	<i>(27.49)</i>	<i>(0.47)</i>	<i>(27.96)</i>
Total included in employee benefit expense	(64.17)	(70.05)	-134.22
	<i>37.91</i>	<i>28.84</i>	<i>66.75</i>
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	313.12	155.17	468.29
	<i>298.86</i>	<i>137.10</i>	<i>435.96</i>
Current Service Cost	28.30	(81.48)	(53.18)
	<i>41.35</i>	<i>18.07</i>	<i>59.42</i>
Interest Cost	24.42	12.10	36.52
	<i>24.51</i>	<i>11.24</i>	<i>35.75</i>
Actuarial (Gains)/Losses	(116.66)	(0.67)	(117.33)
	<i>(27.49)</i>	<i>(0.47)</i>	<i>(27.96)</i>
Benefits Paid	(41.58)	(11.44)	(53.02)
	<i>(24.12)</i>	<i>(10.77)</i>	<i>(34.89)</i>
Closing defined benefit obligation	207.60	73.68	281.28
	<i>313.11</i>	<i>155.17</i>	<i>468.28</i>
Opening fair value of plan assets	2.66	-	2.66
	<i>13.89</i>	-	<i>13.89</i>
Expected return on plan assets	0.23	-	0.23
	<i>0.46</i>	-	<i>0.46</i>
Contributions by employer	46.27	-	46.27
	<i>12.42</i>	-	<i>12.42</i>
Benefits Paid	(35.69)	-	(35.69)
	<i>(24.12)</i>	-	<i>(24.12)</i>
Closing Fair Value of Plan Assets	13.47	-	13.47
	<i>2.65</i>	-	<i>2.65</i>
Assumptions			
Interest / Discount Rate			7.80%
			7.80%
Expected return on plan assets			9.00%
			9.00%
Rate of escalation in salary			6.00%
			6.00%
Attrition Rate			2.00%
			2.00%
<i>Note: Figures in italics relate to previous period</i>			

i) Discount Rate

The discount rate is based on the prevailing market yield on Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

ii) Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii) Salary Escalation Rate

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

Net Asset/(Liability) recognised in Balance Sheet

(Rupees in lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Gratuity					
Present value of defined benefit obligation	207.60	313.11	298.87	248.20	230.26
Fair value of plan assets	13.47	2.65	13.90	5.02	15.67
Status [Surplus / (Deficit)]	(194.13)	(310.46)	(284.97)	(243.18)	(214.59)
Compensated Absences					
Present value of defined benefit obligation	73.68	155.17	137.10	107.66	90.60
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(73.68)	(155.17)	(137.10)	(107.66)	(90.60)

29 Related Party Disclosure

The following are related parties as defined in "Accounting Standard (AS) 18 - Related Party Disclosures" notified under The Companies (Accounting Standards) Rules, 2006.

List of Related Parties

1. Subsidiaries

<i>Subsidiaries held directly</i>	Country of Incorporation	Percentage of ownership interest
i. Glade Steel Pvt Ltd.	India	51.15%
ii. Alpha Ventures Ltd.	Cayman Islands	100%
iii. Asian Tide Enterprises Ltd.	Hong Kong	100%
<i>Subsidiaries held indirectly</i>		
i. Optimix Enterprises Limited	Mauritius	100%

2. Key Management Personnel

i. Mr. R. K. Birla	Managing Director
ii. Mr. S. Hanumantha Rao	Director (Finance)*

*Shri S. Hanumantha Rao designated as Non-Executive Director w.e.f. 28.12.2015.

3. List of Related Parties

Sl. No.	Name of the Company	G. S. Raju	S. Hanumantha Rao
1	Foster Infin and Trading Private Limited	√	
2	Sujana Energy Limited		√
3	Sujana Finance and Trading Private Limited	√	
4	Sujana Holding Limited	√	√
5	Sujana Universal Industries Ltd	√	√
6	Sujana Power (Gangikondan) Limited		√
7	Sujana Power (India) Limited	√	√
8	Sujana Power (Tuticorin) Limited		√
9	Sujana Projects Limited	√	√
10	Sujana Towers Limited	√	√
11	Yalamanchili Finance and Trading Private Limited	√	
12	Sujana Pumps & Motors Pvt. Ltd.		

Note: Related parties have been identified by the management.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in lakhs)

Related Party Transactions:				
Particulars	Subsidiaries		On Account of Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15
A). Sales				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	10,179.17	5,263.50
Sujana Towers Limited	-	-	687.47	1,719.26
SUB-TOTAL	-	-	10,866.64	6,982.76
B). Purchases				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	4,276.04	6,995.86
Sujana Towers Limited	-	-	675.50	1,223.27
SUB-TOTAL	-	-	4,951.54	8,219.13
C). Investments made during the year/period				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	552.01	-	-
SUB-TOTAL	-	552.01	-	-
D). Advances given/(refunded) during the year				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	(552.01)	-	-
SUB-TOTAL	-	(552.01)	-	-
E). Advances received during the year				
Yalamanchili Finance and Trading Private Limited	-	-	-	1,176.80
SUB-TOTAL	-	-	-	1,176.80
F) Other Income				
Sujana Universal Industries Ltd	-	-	9.00	9.00
SUB-TOTAL	-	-	9.00	9.00
G). Other Expenses				
Glade Steel Private Limited	9.00	9.00	-	-
SUB-TOTAL	9.00	9.00	-	-
H) Remuneration				
Mr. R.K.Birla - Managing Director	-	-	90.27	120.36
Mr. Hanumantha Rao - Director Finance	-	-	10.35	13.80
SUB-TOTAL	-	-	100.62	134.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in lakhs)

30 Earnings Per Share

Particulars	2015-16	2014-15
Profit After Tax	(10,423.17)	93.76
Less: Preference Dividend including tax thereon	0.00	17.36
Profit attributable to ordinary share holders	(10,423.17)	76.17
Profit attributable to ordinary share holders- for diluted EPS	(10,423.17)	76.17
Weighted average number of ordinary shares used in computing Basic Earnings per Share	22,10,90,033	2014,50,881
Add: Effect of potential ordinary (equity shares) on conversion of share warrants and redeemable preference shares	-	0
Weighted average number of ordinary (equity shares) used in computing Diluted Earnings Per Share.	22,10,90,033	2014,50,881
Earnings per share - Face Value: Rs. 5/- each		
Basic - Rs.	(4.71)	0.04
Diluted - Rs.	(4.71)	0.04

31 Contingent liabilities and commitments (to the extent not provided for)

(Rupees in lakhs)

	Particulars	As at 31 March 2016	As at 31 March 2015
a)	Contingent liabilities		
i)	Claims against the Company not acknowledged as debts in respect of:		
	Excise Duty	2,413.00	2,071.70
	Custom Duty	727.64	839.24
	TNVAT/APGST/CST	12,997.44	2,198.12
	Income Tax (Net of liability as per return)	-	-
	FERA*	400.00	400.00
ii)	Guarantees		
	Corporate Guarantees furnished on behalf of Sujana Universal Industries Ltd	81,410.00	81,410.00
	Corporate guarantee furnished on behalf of Optimix Enterprises Limited (USD 75 lakhs)	4,087.50	4,087.50
b)	Commitments		
i)	Export commitments on account of import of machinery and equipments at concessional duty under EPCG scheme (31.03.2015 : Rs. 112.16 Lakhs) .Such export commitments need to be fulfilled by the Company on or before 23 April 2016. As on 31 March 2015, the Company has fulfilled its export commitments and which are pending final approval of Director General of Foreign Trade. In the event of non-fulfillment of the export commitments by 23 April 2016 by the Company, the liability (excluding interest and penalties) towards customs duty	112.16	112.16
* Against which bank guarantee of Rs. 215 lakhs has been issued.			

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 Derivative Instruments

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(In lakhs)

Particulars	2015-16		2014-15	
	Rs.	USD	Rs.	USD
For import of goods and services	-	-	-	-
From export of goods and services	13,658.10	206.39	13,005.23	207.74

33 CIF Value of Imports

(Rupees in lakhs)

Particulars	2015-16	2014-15
Raw Materials including stock in trade	-	1,816.12
Capital Goods	-	-
Others	-	-
Total	-	1,816.12

34. Details of consumption of imported and indigenous items

Particulars	2015-16		2014-15	
	%	VALUE (Rs.in lakhs)	%	VALUE (Rs.in lakhs)
Raw Material				
Imported	0.00%	-	0.68%	2,097.26
Indigenous	100.00%	3,36,064.55	99.32%	3,08,345.52
	100.00%	3,36,064.55	100.00%	3,10,442.78
Stores and Spares (Indigenous)	100.00%	976.29	100.00%	1,335.46

35 Expenditure in Foreign Currency (on accrual basis)

(Rupees in lakhs)

Particulars	2015-16	2014-15
Travelling	0.72	0.99
Professional and Consultancy	-	-
Total	0.72	0.99

36 Earnings in Foreign Exchange

(Rupees in lakhs)

Particulars	2015-16	2014-15
FOB Value of Exports	-	1,847.86
Others	-	-
Total	-	1,847.86

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables (Ref: Note No.10 -Trade payables include Rs.Nil (31.03.2015 : Rs. Nil) due to micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006). The Company has not received any memorandum(as required to be filed by the supplier with the notified authority under the MSMED Act 2006) claiming their status as Micro or Small or Medium Enterprises.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38 Disclosure as per the Listing Regulations / Listing Agreement

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(Rupees in lakhs)

Name of the Company	Relationship	Amount Outstanding as at year end/ period end	Maximum Outstanding during the year /period
Alpha Ventures Limited	Subsidiary	2,051.70	2,051.70
		2,051.70	2,051.70
Asian Tide Enterprises Limited	Subsidiary	-	-
		-	-
Optimix	Subsidiary	-	-
		-	-
Glade Steels	Subsidiary	-	-
		-	-

Above loans and advances are interest free and there are no repayment schedules

39. TERMS OF CDR AND IMPLEMENTATION THEREOF:

The loans of the company have been restructured under the Corporate Debt Restructuring (CDR) System. The CDR package was sanctioned by CDR Empowered Group, at their meeting held on 25.03.2013

Salient Features of the CDR package are given below:-

i)	Cut-off date (COD) for loans has been taken as 1st October 2012.		
ii)	Summary of the interest rate on Term Loan, WCTL & Working Capital is as under:		
	Facility	From Cut-off date till September 2014	From October 2014 till the end of repayment period
	Term Loan	11.00%	13.00%
	Term Loan – SASF	9.00%	9.00%
	WCTL	11.00%	13.00%
	FITL	11.00%	11.00%
	Cash Credit	11.00%	11.5%
All the interest rates are linked to the base rate of the monitoring institution i.e. Punjab National Bank.			
iii)	Term Loans are restructured with a moratorium of 24 months from COD and repayable in 96 equal monthly installments starting from 31st October 2014.		
iv)	The irregularity in the Cash Credit is carved out as Working Capital Term Loan and is repayable in 96 equal monthly installments starting from 31st October 2014.		
v)	The interest on term loan and WCTL from cut-off date till September 30, 2014 is converted as Funded Interest Term Loan-I, repayable in 54 equal monthly installments starting from Oct 31, 2014.		
vi)	The interest on Cash Credit from Cut-off date till March 31, 2013 is converted as Funded Interest Term Loan-II, repayable in 54 equal monthly installments starting form April 30, 2013.		

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vii)	Interest overdues to Stressed Assets Stabilisation Fund (SASF) prior to cut-off date would be converted into FITL-I(A) to be repaid in 48 equal monthly installments starting from October 31, 2014 with 9% interest.
viii)	Additional Term Loan of Rs. 40 Crores was approved carrying interest of 13.5% and repayable in 96 equal monthly installments.
ix)	Additional Cash Credit and Non-fund based limits as per the appraisal of the banks.
x)	Promoters shall bring their contribution of Rs.52.33 crore
xi)	The lenders shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders as per guidelines.

All the lenders with the exception of SASF have restructured the debts as stipulated in the package. Though SASF agreed with the general terms and conditions of restructuring under CDR, it insisted for clearance of interest overdue as on October 1, 2012 (CDR COD) and has not communicated sanction for CDR package.

- 40 The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.). The leasing arrangements, which are not non-cancellable, range between ten months and three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals Rs.117.44 lakhs (31.03.2015 : Rs. 176.43 lakhs) payable are charged as rent in to the statement of profit and loss.
- 41 Balances of Unsecured loans, receivables, payables and loans and advances are subjects to their confirmation and reconciliations.
- 42 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & Associates
Chartered Accountants
FRN No: 003329S

R K Birla
Managing Director
(DIN: 00118776)

S. Hanumantha Rao
Director
(DIN: 00118801)

T. Raghavendra
Mem.No : 023806

Ch. Narayana Rao
Chief Financial Officer

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May 2016

Place : Hyderabad
Date : 30th May 2016

**Consolidated
Financial Statements
for the Year Ended
31.03.2016**

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of
Sujana Metal Products Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sujana Metal Products Limited ('the Holding Company') and its subsidiary companies (the Holding Company and its subsidiary companies together referred as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 17 and 19 forming part of the financial statements regarding the Trade Receivables which are long overdue to the extent of Rs. 56,858.07 of which Rs. 663.04 lakhs was provided as doubtful debts by the management. And Rs. 5,102.15 lakhs of advances are long overdue of which Rs.351.92 lakhs was provided as doubtful advances by the management as they consider the balance as good and recoverable and estimates that provision for doubtful debts is not necessary.
- b) Refer Note No. 31 regarding the winding up petition filed by Standard Bank (Mauritius) Ltd., in the High Court of Andhra Pradesh against the company for giving corporate guarantee for loan extended by the said bank to the step down subsidiary Optimix Enterprises Limited for Rs. 4,087.50 lakhs. We are unable to form an opinion on the uncertainty regarding the outcome of Andhra Pradesh High Court decision.

Other Matter

We have audited 2 subsidiaries and one step down subsidiary of the company and we did not audit the financial statements of one direct subsidiary company and whose financial statements reflect total assets of Rs.1,44,373.38 lakhs as at March 31, 2016, total revenues of Rs. 66,068.51 lakhs and net cash flow amounting to Rs.1,841.99 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

SUJANA METAL PRODUCTS LIMITED

- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our report in "Annexure A", which is based on the Auditors' Reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Group has not disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2016.
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For T. Raghavendra & Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra
Proprietor
Mem No 023806

Date: 30th May 2016
Place: Hyderabad



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section 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 **Sujana Metal Products Limited ('the holding Company')** and its subsidiary companies incorporated in India as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the holding Company and its subsidiary companies incorporated in India 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 (the 'Guidance Note'). 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 the respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, 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 and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India and outside India in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit 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

SUJANA METAL PRODUCTS LIMITED

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.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For T. Raghavendra & Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra
Proprietor
Mem No 023806

Date: 30-05-2016
Place: Hyderabad



Consolidated Balance sheet as at 31st March, 2016

Rupees in lakhs

	Note No.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share Capital	3	15,174.99	11,565.91
b) Reserves and Surplus	4	70,092.65	78,420.00
		<u>85,267.64</u>	<u>89,985.91</u>
2 Minority Interest		724.74	746.16
3 Non- Current liabilities			
a) Long-Term Borrowings	5	1,13,013.28	1,01,982.07
b) Deferred Tax liabilities (net)	6	3,405.90	7,077.20
c) Other Long-Term liabilities	7	216.36	197.95
d) Long-Term provisions	8	291.00	308.61
		<u>1,16,926.54</u>	<u>1,09,565.83</u>
4 Current liabilities			
a) Short-Term Borrowings	9	1,06,479.92	60,115.80
b) Trade Payables	10	1,17,595.81	1,59,733.38
c) Other Current liabilities	11	5,024.11	3,115.27
d) Short-Term provisions	12	2,091.25	2,207.05
		<u>2,31,191.09</u>	<u>2,25,171.50</u>
TOTAL		<u>4,34,110.01</u>	<u>4,25,469.40</u>
II ASSETS			
1 Non- Current Assets			
a) Fixed Assets			
i) Tangible Assets	13A	46,987.03	50,047.29
iii) Capital Work in Progress		10,180.48	9,463.79
		<u>57,167.51</u>	<u>59,511.08</u>
b) Goodwill (On Consideration)		326.96	326.96
c) Long-Term Loans and Advances	14	1,519.99	1,708.59
		<u>59,014.46</u>	<u>61,546.63</u>
2 Current Assets			
a) Current Investments	15	4.16	4.69
b) Inventories	16	35,790.06	29,458.41
c) Trade Receivables	17	2,94,649.21	3,06,629.19
d) Cash and Bank Balances	18	1,374.54	2,942.34
e) Short-Term Loans and Advances	19	43,142.33	24,551.41
f) Other Current Assets	20	135.25	336.73
		<u>3,75,095.55</u>	<u>3,63,922.77</u>
TOTAL		<u>4,34,110.01</u>	<u>4,25,469.40</u>

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants
(Firm Regn. No. 003329S)

R K Birla

Managing Director
(DIN: 00118776)

S. Hanumantha Rao

Director
(DIN: 00118801)

T. Raghavendra

M.No. 023806

Ch. Narayana Rao
Chief Financial Officer

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May 2016

Place : Hyderabad
Date : 30th May 2016

SUJANA METAL PRODUCTS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

Rupees in lakhs

	Note No	For the year ended 31 March 2016	For the year ended 31 March 2015
I. Revenue			
Revenue from operations (gross)		4,18,274.26	4,00,336.73
Less: Excise duty		3,930.46	6,088.52
Revenue from operations (net)	21	4,14,343.80	3,94,248.21
Other income	22	1,209.81	1,052.26
Total revenue		4,15,553.60	3,95,300.47
II. Expenses			
Cost of materials	23.a &b	4,01,550.71	3,58,504.78
Change in inventories of finished goods, work in progress and stock- in-trade	23.c	(7,953.86)	(1,288.95)
Employee benefit expenses	24	1,725.51	2,156.96
Finance costs	25	22,663.68	21,627.73
Depreciation and amortisation expense	13A&13B	3,611.99	3,993.07
Other expenses	26	7,558.31	8,832.89
Total expenses		4,29,156.34	3,93,826.48
III. Profit before tax (I-II)		(13,602.74)	1,473.99
Prior Period Expenses		21.80	28.94
Profit before tax after Prior period expenses		(13,624.54)	1,445.05
IV. Tax expense:			
a) Current tax expense for current year		-	113.31
b) MAT credit relating to earlier years		-	-
c) Current tax relating to earlier years		-	86.36
c) Deferred tax relating to earlier years		(405.38)	-
		(405.38)	199.67
e) Deferred tax		(3,265.83)	226.80
		(3,671.21)	426.47
V. Profit for the year (III-IV)		(9,953.33)	1,018.58
Minority Interest		21.42	24.49
Profit for the year/period after minority Interest		(9,931.91)	1,043.07
Earnings per equity share of Rs. 5/- each (Refer Note No.31)			
Basic Rs.		(4.46)	0.50
Diluted Rs.		(4.46)	0.50

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants
(Firm Regn. No. 003329S)

R K Birla

Managing Director
(DIN: 00118776)

S. Hanumantha Rao

Director
(DIN: 00118801)

T. Raghavendra

M.No. 023806

Ch. Narayana Rao
Chief Financial Officer

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May 2016

Place : Hyderabad
Date : 30th May 2016

Cash flow statement for the Year ended 31 March 2016

Rupees in lakhs

Particulars	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Cash flow from operating activities		
Net profit before tax	(13,624.54)	1,445.05
Adjustments for:	-	-
Depreciation and amortisation	3,611.99	3,993.07
Extraordinary Item	-	-
Loss on sale of fixed assets (net)	33.85	3.41
Net unrealised exchange gain	-	(13.07)
Finance costs	22,663.68	21,627.73
Interest income	(240.60)	(253.60)
Loss on sale of current investment	-	-
Adjustments to the carrying amount of current investments	0.53	0.82
Provision for wealth tax	-	-
Dividend income on current investment	-	-
Operating profit before working capital changes	12,444.91	26,803.41
<i>Changes in working capital:</i>	-	-
<i>Adjustments for (increase) / decrease in operating assets:</i>	-	-
Inventories	(6,331.65)	(1,454.44)
Trade receivables	11,979.98	(2,310.34)
Long-term loans and advances	188.60	398.27
Short-term loans and advances	(18,590.92)	(2,879.89)
Other current assets	-	(1.63)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	-	-
Trade payables	(41,243.64)	9,895.87
Other current liabilities	1,014.91	(2,982.36)
Other long-term liabilities	18.41	78.67
Other Short-term liabilities	(86.48)	64.23
Provision for employee benefits	(17.61)	17.07
Cash generated from operations	(40,623.49)	27,628.86
Net income tax paid	(21.35)	(93.25)
Net cash flow from operating activities	(A) (40,644.84)	27,535.61
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(1,604.06)	(2,937.57)
Receipt of capital advances	-	-
Proceeds from sale of fixed assets	293.72	41.67
(Increase)/decrease in restricted cash	1,703.21	(941.44)
Advances given to subsidiaries	-	-
Advances realised from subsidiaries	-	-
Purchase of current investments	-	-
Foreign Currency Translation Adjustment	-	-
Proceeds from sale of current investment- mutual fund units	-	-
Income from current investments received	-	-
Interest received	442.09	488.11
Net cash used in investing activities	(B) 834.96	(3,349.23)

SUJANA METAL PRODUCTS LIMITED

Cash flow statement for the Year ended 31 March 2016

Rupees in lakhs

Particulars	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Cash flow from financing activities	-	-
Proceeds from issue of share capital	3,609.08	255.00
Share premium received / Capital Reserve	-	-
Proceeds from long-term borrowings	11,031.21	3,442.60
Repayment of long-term borrowings	-	-
Increase in short-term borrowings	46,364.12	(8,620.97)
Dividend paid including tax there on	-	(17.57)
Interest and other borrowing costs paid	(22,663.68)	(21,083.73)
Net cash (used in)/from financing activities (C)	38,340.73	(26,024.67)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(1,469.15)	(1,838.29)
Cash and cash equivalents at the beginning of the year	203.83	175.27
Exchange difference on translation of foreign currency cash and cash equivalents	1,604.56	1,866.85
Cash and cash equivalents at the end of the year	339.24	203.83

Notes:

- Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.
- Reconciliation of Cash and cash equivalents with balance sheet:

Cash and bank balances as per balance sheet	1,374.54	2,942.34
Less: Balances in earmarked accounts	-	-
- balance held as margin monies	1,035.30	2,738.51
Net cash and cash equivalents at the end of the year	339.24	203.83

See accompanying notes forming part of the Consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & Associates

Chartered Accountants
(Firm Regn. No. 003329S)

T. Raghavendra

M.No. 023806

Place : Hyderabad

Date : 30th May 2016

R K Birla

Managing Director
(DIN: 00118776)

Ch. Narayana Rao
Chief Financial Officer

Place : Hyderabad

Date : 30th May 2016

S. Hanumantha Rao

Director
(DIN: 00118801)

Shaik Ibraheem
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Sujana Metal Products Limited (SMPL) was incorporated in 02 May 1988 under the name of Sujana Steel Re-rolling Industries Private Limited. The name of the company was changed to Sujana Steels Private Limited on 30 March 1992. The company was converted into public limited company on 20 April 1992. The company further changed its name as Sujana Metal Products Limited w.e.f. 09 November 2001. The Company was promoted by Sri Y.S.Chowdary, his associates and relatives.

The company was incorporated with an object to manufacture of steel re-rolled products. SMPL is engaging in the business of manufacturing and marketing value added steel products. SMPL is categorized as a secondary steel producer in the Industry.

SMPL is currently engaging in the business of Manufacture and trading of steel products like Thermo Mechanically Treated (TMT) bars in different sizes, Structural steels like Ms Angles, Ms Squares, Ms Beams and Ms Channels etc and smart steel of varying shapes and dimensions for the construction & infrastructure sector.

2 Significant accounting policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.

b Principles of Consolidation:

The Consolidated Financial Statements relate to Sujana Metal Products Limited (“the Company”) and its subsidiary companies (“the Group”) . The Consolidated Financial Statements have been prepared on the following basis.

The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra -group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard 21 - “Consolidated Financial Statements” notified by the Companies (Accounting Standards) Rules, 2006.

In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in “Foreign Currency Translation Reserve”.

The excess of cost to the Company, of its investment in the subsidiaries over the Company’s share of equity is recognised in the financial statements as Goodwill and tested for impairment annually.

Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from non-current liabilities and the equity of the Company’s share holders.

Minority interest consists of:

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
- ii) The minorities share of movements in the equity since the date the parent subsidiary relationship came into existence.

Share of net profit attributable to the minority share holders for the year is identified and adjusted against profit after tax of the group.

c. Use of Estimates

The preparation of financial statements are in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and any revision to accounting estimates is recognised prospectively in the period in which the results are known/materialised. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d. Fixed Assets and Depreciation

TANGIBLE ASSETS:

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

CAPITAL WORK-IN-PROGRESS: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

INTANGIBLE ASSETS Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated amortisation and impairment loss, if any.

DEPRECIATION AND AMORTISATION Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of asset	Years
Plant and machinery	8 to 40 years
Work-roll	1 year

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost. Intangible assets are amortised over their estimated useful lives on straight line method as follows: Class of assets Years Computer software 3 to 5 years Licenses 3 to 5 years The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any

e. Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".

Current Investments are stated at lower of cost or market value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Long term Investments are stated at cost comprising of acquisition and incidental expenses. Provision is made to recognize a diminution, other than temporary, in the value of such investments.

f. Revenue Recognition

Revenue is recognized when it is earned and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of manufactured goods is recognized on physical delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from traded goods is recognised on symbolic delivery. Significant risk and rewards incidental to ownership are transferred upon issuance of tax invoice and acknowledged by the customers.

Sales are net of sales returns and trade discounts. Export turnover includes related export benefits. Excise duty recovered is presented as a reduction from gross turnover.

g. Inventories

Raw materials are valued at cost or net realisable value, whichever is lower. Cost is ascertained based on weighted average cost method.

Finished goods produced and purchased are valued at cost or net realisable value, whichever is lower.

Excise duty in respect of finished goods produced and awaiting despatch is included in valuation of the Inventory.

Stores and Spares are carried at cost, ascertained on a weighted average basis. Necessary provision is made in case of obsolete and non-moving items.

h. Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

Defined Benefit Plan

i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. Liability on account of gratuity is:

- covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India and contributions are charged to revenue; and
- balance is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

Defined Contribution Plan

i) Provident Fund

Contribution to Provident fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognised as expense as they fall due based on the amount of contribution required to be made.

i. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of transactions and in case of purchase of materials and sale of goods, the exchange gains / losses on settlements during the year, are charged to Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the date of Balance Sheet. Exchange gains / losses including those relating to fixed assets are dealt with in the Statement of Profit and Loss.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

j. **Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

k. **Taxes on Income**

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax. Current tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws.

Minimum Alternate Tax (MAT) provision in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the near future period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations at the reporting date.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

l. **Earnings per Share**

The Company reports Basic and Diluted Earnings Per Share (EPS/DEPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

m. **Impairment of assets**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

n. **Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 3: Share capital		
Authorised		
i) 310,000,000 (31.03.2015:310,000,000) Equity Shares of Rs.5 each	15,500.00	15,500.00
ii) 4,500,000 (31.03.2015:4,500,000) Preference Shares of Rs. 100 each	4,500.00	4,500.00
Issued, subscribed and fully paid up		
i) 301,010,881 (31.03.2015:201,450,881) Equity Shares of Rs. 5 each	15,050.54	10,072.54
ii) 124,447 (31.03.2015:1,493,365) 1% Cumulative Redeemable Preference Shares of Rs.100 each	124.45	1,493.37
	15,174.99	11,565.91

Notes:
i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Number	Amount	Number	Amount
a) Equity (including shares represented by underlying GDRs)				
Shares outstanding at the beginning of the year/period	2014,50,881	10,072.54	1963,50,881	9,817.54
Shares issued during the year/period	995,60,000	4,978.00	51,00,000	255.00
Shares bought back during the year/ period	-	-	-	-
Shares outstanding at the end of the year/ period	3010,10,881	15,050.54	2014,50,881	10,072.54
b) Cumulative Redeemable Preference Shares				
Shares outstanding at the beginning of the year/period	14,93,365	1,493.37	14,93,365	1,493.37
Shares Issued during the year/period	-	-	-	-
Shares redeemed during the year/period	13,68,918	1,368.92	-	-
Shares outstanding at the end of the year/period	1,24,447	124.45	14,93,365	1,493.37

ii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% held	No. of Shares held	% held
a) Equity shares of Rs. 5 each fully paid				
Yalamanchili Finance & Trading Pvt Ltd	1314,26,585	43.66	267,66,585	13.29
Foster Infin and Trading Pvt Limited	250,00,000	8.31	250,00,000	12.41
Stressed Assets Stabilisation Fund	127,59,682	4.24	127,59,682	6.33
Sujana Holdings Limited	100,00,000	3.32	100,00,000	4.96
b) Cumulative Redeemable Preference Shares of Rs.100 each fully paid				
IDBI Bank Limited	14,93,365	100.00	14,93,365	100.00

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

iii) The company has only one class of shares referred to as equity shares having a par value of Rs.5/-. Each holder of equity shares is entitled to one vote per share held.

iv) Redemption of Cumulative Redeemable Preference Shares (CRPS)

1,493,365 1% of Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1493.37 lakhs is redeemable in 12 quarterly installments co-terminus with principal payment commencing from October 01, 2013 and ending July 01, 2016. CRPS carry cumulative dividend@1% per annum. Each holder of CRPS is entitled to one vote per share only on resolutions placed before the company which directly effect the rights attached to CRPS.

	As at 31 March 2016	As at 31 March 2015
Note 4: Reserves and surplus		
i) Capital reserve		
Opening balance	9,880.43	9,880.43
Add: Additions during the year/period	-	-
Closing balance	9,880.43	9,880.43
ii) CRPS redemption reserve		
Opening balance	1,493.37	1,493.37
Add: Additions during the year/period	-	-
Closing balance	1,493.37	1,493.37
iii) Securities premium account		
Opening balance	35,430.34	35,430.34
Add: Premium on shares issued during the year/period	-	-
Closing balance	35,430.34	35,430.34
iv) Foreign Currency Translation Reserve		
Opening balance	7,924.57	6,057.72
Add: Additions during the year/period	1,604.56	1,866.85
Closing balance	9,529.13	7,924.57
v) General reserve		
	698.64	698.64
vi) Surplus in statement of profit and loss		
Opening balance	22,992.65	21,967.15
Add: Profit for the year/period	(9,931.91)	1,043.07
Less: Appropriations	-	-
Proposed dividend on CRPS	-	14.93
Dividend distribution tax	-	2.64
CRPS redemption reserve	-	-
Closing balance	13,060.74	22,992.65
	70,092.65	78,420.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 5: Long term borrowings		
Secured		
a) Term loans from		
i) Banks	37,946.69	27,378.42
ii) Financial institutions	11,672.65	11,060.01
b) Other Loans		
i) FITL - I	13,980.20	14,264.17
ii) FITL - II	1,899.39	2,036.73
iii) W C T L	47,512.60	47,236.89
c) Vehicle loans from		
i) Banks	1.75	5.85
ii) Others	-	-
	1,13,013.28	1,01,982.07

Notes:

- Loan from banks viz. Punjab National Bank, Bank of India, Indian Overseas Bank, IDBI Bank, State Bank of Patiala, The Karnataka Bank Ltd., Bank of Baroda, Laxmi Vilas Bank, Indian Bank, Oriental Bank of Commerce and Andhra Bank are secured by first charge on all the immovable and movable fixed assets of the company both present and future and second charge on the current assets of the company. Further these loans are secured by personal guarantees of director and promotor.

Loan from SASF are Secured by 1st charge on Unit at Sanivada Village, Rajeevnagar, Visakhapatnam - 530 046, Andhra Pradesh, Unit at Plot No. B-20E, SIPCOT Industrial Complex, Gummidi Pondi, Chennai, Tamilnadu and Unit at Survey No. 296/7/7, 8 & 11, IDA Bollaram, Jinnaram Mandal, Medak District - 502325, Telangana.
- The terms of repayment and rate of interest on the loans from banks and financial institutions mentioned in the Note No. 32
- Vehicle loans from banks are secured by hypothecation of the vehicles financed through the loan arrangements and are repayable over a period of 36 months to 60 months.

Note 6: Deferred tax liabilities (net)

Deferred tax liability:

On difference between book balance and tax balance of fixed assets	7,116.59	7,453.81
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Deferred tax asset:

Provision for employee benefits	143.61	151.38
Provision for doubtful trade receivables, loans and advances	313.62	225.23
Other Business Loss	3,253.46	-
	3,710.69	376.61

Deferred tax liabilities (net)

	3,405.90	7,077.20
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Note 7: Other long -term liabilities

Security Deposits	190.46	170.46
Govt Grands - Differed Receivable	25.90	27.49
	216.36	197.95

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 8: Long-term provisions		
Provision for Employee benefits	291.00	308.61
	<u>291.00</u>	<u>308.61</u>
Note 9: Short-term borrowings		
Loans repayable on demand		
From Banks		
Secured	1,04,401.99	54,996.50
From Others	-	-
Unsecured	2,077.93	5,119.30
	<u>1,06,479.92</u>	<u>60,115.80</u>

- i) Loans repayable on demand includes an amount of Rs. 104,041.50 lakhs (31.03.2015 : Rs. 54,996.98 lakhs) represents working capital loans from banks are inter alia secured by way of parri passu first charge on current assets and parri passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of certain directors.

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 10: Trade payables		
Acceptances	-	37,275.63
Other than acceptances	1,17,595.81	1,22,457.75
	<u>1,17,595.81</u>	<u>1,59,733.38</u>
Note 11: Other current liabilities		
Current maturities of long-term debt	8.14	-
Other payables	1,004.70	-
Statutory remittances	190.23	244.82
CRPS Payable	1,368.92	-
Payables on purchase of fixed assets	28.46	13.45
Advances from customers	2,423.66	2,857.00
	<u>5,024.11</u>	<u>3,115.27</u>
Note 12: Short-term provisions		
Provision for employee benefits	173.74	157.95
Provision for current income tax	1,914.87	1,944.19
Provision for proposed dividend on CRPS	-	99.74
Provision for tax on proposed dividend	2.64	5.17
	<u>2,091.25</u>	<u>2,207.05</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13A: Tangible Assets

(Rupees in Lakhs)

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 01 April 2015	Additions	Deletions	As at 31 March 2016	As at 01 April 2015	For the period	Deletions	As at 31 March 2016	As at 31 March 2015
Land- Freehold	2,230.05	-	-	2,230.05	-	-	-	2,230.05	2,230.05
Buildings	5,198.18	806.51	221.87	5,782.82	1,175.25	197.99	0.20	1,373.04	4,022.95
Plant & Machinery	68,370.34	91.06	177.57	68,282.59	26,790.75	2,915.67	70.07	29,635.97	41,579.59
Electrical Installation	3,068.36	0.20	-	3,068.56	1,205.64	399.16	-	1,604.80	1,862.72
Furniture & Fixtures	93.52	-	0.18	93.34	68.33	5.24	0.03	73.55	19.79
Office Equipment	177.85	1.78	0.89	178.74	142.14	14.04	0.25	156.08	35.70
Vehicles	679.21	0.68	54.38	625.51	415.90	53.60	36.99	432.58	263.31
Computers	964.74	-	-	964.74	936.95	26.30	-	963.32	27.79
TOTAL (A)	80,782.24	900.25	454.89	81,226.37	30,734.95	3,611.99	107.53	34,239.34	50,047.29
<i>Previous Period</i>	78,954.68	1,884.76	57.20	80,782.24	26,754.39	3,993.07	12.51	30,734.95	52,200.29

Note 13B: Intangible Assets

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 01 April 2015	Additions	Deletions	As at 31 March 2016	As at 01 April 2015	For the period	Deletions	As at 31 March 2016	As at 31 March 2015
Goodwill	28.68	-	-	28.68	28.68	-	-	28.68	-
Computer Software	-	-	-	-	-	-	-	-	-
Total (B)	28.68	-	-	28.68	28.68	-	-	28.68	-
<i>Previous Period</i>	28.68	-	-	28.68	28.68	-	-	28.68	-
Grand Total (A+B)	80,810.92	900.25	454.89	81,255.04	30,763.57	3,611.99	107.53	34,268.02	50,047.29
<i>Previous Period</i>	78,983.36	1,884.76	57.20	80,810.92	26,783.07	3,993.07	12.51	30,763.63	52,200.29

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 14: Long-term loans and advances		
i) (Unsecured and considered good)		
a) Security deposits	210.20	155.69
b) MAT credit entitlement	290.66	290.66
c) Deposits with government authorities	1,019.13	1,262.24
(A)	1,519.99	1,708.59
ii) Doubtful		
a) Security deposits	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02
	351.92	351.92
Less: Provision for doubtful advances	351.92	351.92
(B)	-	-
(A+B)	1,519.99	1,708.59
Note 15: Current investments		
(At lower of cost and fair value)		
Investment in mutual funds (Quoted)		
SBI - PSU fund dividend	5.00	5.00
50,000 (31.03.2015 : '50,000' units purchased during the earlier period)	-	-
Less: provision for diminution in the value of investment	(0.84)	(0.31)
	4.16	4.69
Aggregate amount of quoted investments	5.00	5.00
Aggregate provision for diminution in the value of current investments	0.84	0.31
Note 16: Inventories (At lower of cost and net realisable value)		
Raw materials	1,586.84	3,013.36
Goods- in-transit	-	-
Finished goods	33,211.17	25,257.31
Goods- in-transit	-	-
Stock in trade	-	-
Stores and spares	992.05	1,187.74
	35,790.06	29,458.41

Rupees in lakhs

	As at 31 March 2016	As at 31 March 2015
Note 17: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	76,471.54	1,52,012.51
Considered Doubtful	663.04	691.30
	<u>77,134.58</u>	<u>1,52,703.81</u>
Less: Provision for doubtful trade receivables	663.04	691.30
(A)	<u>76,471.54</u>	<u>1,52,012.51</u>
Other trade receivables		
Considered Good	2,18,177.67	1,54,616.68
Considered Doubtful	-	-
	<u>2,18,177.67</u>	<u>1,54,616.68</u>
Less: Provision for doubtful trade receivables	-	-
(B)	<u>2,18,177.67</u>	<u>1,54,616.68</u>
(A+B)	<u>2,94,649.21</u>	<u>3,06,629.19</u>
Note 18: Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	13.48	26.53
Balances with Banks:	-	-
In current accounts	325.76	177.30
In EEFC account	-	-
In Deposit accounts	-	-
Other bank balances	-	-
In earmarked accounts	-	-
Balance held as margin monies	1,035.30	2,738.51
	<u>1,374.54</u>	<u>2,942.34</u>
Note 19: Short-term loans and advances		
(Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties	-	-
Security deposits	31.01	21.75
Loans and advances to employees	15.65	31.10
Prepaid expenses	28.18	10.62
Balances with government authorities	-	-
CENVAT credit receivable	491.90	1,562.96
VAT credit receivable	1.24	(3.79)
Advances for supply of goods and rendering of services	39,337.18	21,754.62
Others	3,237.18	1,174.15
	<u>43,142.33</u>	<u>24,551.41</u>
Short term loans and advances include amounts due from:		
Directors	-	-
Note 20: Other current assets		
Interest accrued but not due on deposits	135.25	336.73
	<u>135.25</u>	<u>336.73</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2016	Year Ended 31 March 2015
Note 21: Revenue from operations		
a) Sale of products		
i) Manufactured	31,597.29	48,846.03
ii) Traded & Processed Goods	3,81,623.96	3,43,175.15
iii) Exports	-	1,820.29
b) Other operating revenues		
Conversion income	1,122.55	406.74
Total	4,14,343.80	3,94,248.21
Note 22: Other Income		
a) Interest on deposit with banks and others	240.60	253.60
b) Liabilities/Provisions no longer required written back	36.31	233.71
c) Net gain on foreign currency transactions and translations	783.83	436.61
d) Adjustments to carrying amount of current investments	(0.53)	0.82
e) Profit on sale of fixed assets (net)	-	0.01
f) Rental income from operating leases	9.00	9.00
g) Miscellaneous income	11.54	101.84
h) Increase/(decrease) of excise duty on inventory	129.06	16.67
	1,209.81	1,052.26
Note 23 : Cost of materials		
Opening Stock	3,013.36	2,776.94
Add : Purchases	4,00,124.19	3,58,741.20
	4,03,137.55	3,61,518.14
Less : Closing stock	1,586.84	3,013.36
	4,01,550.71	3,58,504.78
Less : Transfer to capital work in progress		-
	4,01,550.71	3,58,504.78
Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade		
<i>Inventories at the beginning of the year:</i>		
Finished goods	25,257.31	23,968.36
Work in progress	-	-
Stock in trade	-	-
	25,257.31	23,968.36
<i>Inventories at the end of the year:</i>		
Finished goods	33,211.17	25,257.31
Work in progress	-	-
Stock in trade	-	-
	33,211.17	25,257.31
Net (increase) / decrease	(7,953.86)	(1,288.95)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2016	Year Ended 31 March 2015
Note 24: Employee benefit expenses		
Salaries, wages and bonus	1,559.11	1,967.73
Contribution to provident and other funds	122.16	144.99
Staff welfare expenses	44.24	44.24
	<u>1,725.51</u>	<u>2,156.96</u>
Note 25: Finance costs		
Interest expense on Borrowings	22,322.65	20,106.47
Other borrowing costs	341.03	1,521.26
	<u>22,663.68</u>	<u>21,627.73</u>
Note 26: Other expenses		
Consumption of stores, spares and consumables	976.29	1,335.46
Power and fuel	4,468.40	4,674.09
Other manufacturing expenses	183.55	219.02
Equipment hire charges	25.93	30.79
Job work charges	372.45	436.15
Rent includes lease rentals	110.49	167.43
Repairs and Maintenance-Buildings	0.97	4.41
Repairs and Maintenance-Machinery	53.86	67.82
Repairs and Maintenance-Others	26.91	25.31
Insurance	22.38	30.23
Rates and taxes	88.53	84.76
Factory maintenance	29.61	60.21
Printing and stationery	18.42	31.46
Communication	34.74	46.98
Travelling and conveyance	196.98	379.28
Legal and professional	193.05	207.78
Payments to auditors (Refer Note (i) below)	36.75	52.37
Security Charges	107.46	123.52
Donations	10.16	1.11
Sales commission	41.83	12.13
Sales discount	71.39	46.58
Business promotion	19.06	142.70
Freight outwards	328.38	551.36
Directors' fees	3.90	3.20
Miscellaneous expenses	102.97	95.32
Loss on sale of fixed assets	33.85	3.42
	<u>7,558.31</u>	<u>8,832.89</u>
Note (i): Payments to the auditors		
As auditors - statutory audit	36.75	52.37
Other Services	-	-
Total	<u>36.75</u>	<u>52.37</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27 The list of **Subsidiary companies** which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	Percentage of voting power as at 31 March 2016	Percentage of voting power as at 31 March 2015	Country of Incorporation
Subsidiaries (held directly)			
Glade Steel Pvt Ltd.	51.15%	51.15%	India
Alpha Ventures Ltd.	100.00%	100.00%	Cayman Islands
Asian Tide Ventures Ltd.	100.00%	100.00%	Hong Kong
Subsidiary (held indirectly)			
Optimix Enterprises Limited (w.e.f 22.08.2011)	100.00%	100.00%	Mauritius

28 Employee Benefits

Defined contribution plans:

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.63.18 lakhs (31.03.2015: Rs.69.26 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the scheme.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Compensated absences

Liability for retiring gratuity as on March 31, 2016 is Rs.207.60 lakhs (31-3-2015: Rs.313.12 lakhs) of which Rs.13.47 lakhs (31.3.2015: 2.65lakhs) is funded with the Life Insurance Corporation of India and Bajaj Allianz Life Insurance Company. The balance of Rs.194.13 lakhs (31-3-2015: Rs.310.46 lakhs) is included in Provision for Gratuity. The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

Details of the company's post-retirement gratuity plans for its employees including whole time directors are given below, which is certified by the actuary and relied upon by the auditors.

Amount to be recognised in balance sheet

(Rupees in lakhs)

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	207.60	73.68	281.28
	313.11	155.17	468.28
Fair value of plan assets	(13.47)	-	(13.47)
	(2.65)	-	(2.65)
Net liability	194.13	73.68	267.81
	310.46	155.17	465.63

Note: In accordance with the payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees.

The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India, Bajaj Allianz life Insurance company and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The management understands that their overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

Expenses to be recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	28.30	(81.48)	(53.18)
	<i>41.35</i>	<i>18.07</i>	<i>59.42</i>
Interest Cost	24.42	12.1	36.52
	<i>24.51</i>	<i>11.24</i>	<i>35.75</i>
Expected return on plan assets	(0.23)	-	(0.23)
	<i>(0.46)</i>	-	<i>(0.46)</i>
Actuarial (Gains)/Losses	(116.66)	(0.67)	(117.33)
	<i>(27.49)</i>	<i>(0.47)</i>	<i>(27.96)</i>
Total included in employee benefit expense	(64.17)	(70.05)	(134.22)
	<i>37.91</i>	<i>28.84</i>	<i>66.75</i>
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	313.12	155.17	468.29
	<i>298.86</i>	<i>137.10</i>	<i>435.96</i>
Current Service Cost	28.30	(81.48)	(53.18)
	<i>41.35</i>	<i>18.07</i>	<i>59.42</i>
Interest Cost	24.42	12.10	36.52
	<i>24.51</i>	<i>11.24</i>	<i>35.75</i>
Actuarial (Gains)/Losses	(116.66)	(0.67)	(117.33)
	<i>(27.49)</i>	<i>(0.47)</i>	<i>(27.96)</i>
Benefits Paid	(41.58)	(11.44)	(53.02)
	<i>(24.12)</i>	<i>(10.77)</i>	<i>(34.89)</i>
Closing defined benefit obligation	207.60	73.68	281.28
	<i>313.11</i>	<i>155.17</i>	<i>468.28</i>
Opening fair value of plan assets	2.66	-	2.66
	<i>13.89</i>	-	<i>13.89</i>
Expected return on plan assets	0.23	-	0.23
	<i>0.46</i>	-	<i>0.46</i>
Contributions by employer	46.27	-	46.27
	<i>12.42</i>	-	<i>12.42</i>
Benefits Paid	(35.69)	-	(35.69)
	<i>(24.12)</i>	-	<i>(24.12)</i>
Closing Fair Value of Plan Assets	13.47	-	13.47
	<i>2.65</i>	-	<i>2.65</i>
Assumptions			
Interest / Discount Rate			7.80%
			<i>7.80%</i>
Expected return on plan assets			9.00%
			<i>9.00%</i>
Rate of escalation in salary			6.00%
			<i>6.00%</i>
Attrition Rate			2.00%
			<i>2.00%</i>
<i>Note: Figures in italics relate to previous period</i>			

i) Discount Rate

The discount rate is based on the prevailing market yield on Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

ii) Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

iii) Salary Escalation Rate

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

Net Asset/(Liability) recognised in Balance Sheet					
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Gratuity					
Present value of defined benefit obligation	207.60	313.11	298.87	248.20	230.26
Fair value of plan assets	13.47	2.65	13.90	5.02	15.67
Status [Surplus / (Deficit)]	(194.13)	(310.46)	(284.97)	(243.18)	(214.59)
Compensated Absences					
Present value of defined benefit obligation	73.68	155.17	137.10	107.66	90.60
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(73.68)	(155.17)	(137.10)	(107.66)	(90.60)

29 Related Party Disclosure

The following are related parties as defined in "Accounting Standard (AS) 18 - Related Party Disclosures" notified under The Companies (Accounting Standards) Rules, 2006.

List of Related Parties

1. Subsidiaries

<i>Subsidiaries held directly</i>	Country of Incorporation	Percentage of ownership interest
i. Glade Steel Pvt Ltd.	India	51.15%
ii. Alpha Ventures Ltd.	Cayman Islands	100%
iii. Asian Tide Enterprises Ltd.	Hong Kong	100%
<i>Subsidiaries held indirectly</i>		
i. Optimix Enterprises Limited	Mauritius	100%

2. Key Management Personnel

i. Mr. R. K. Birla	Managing Director
ii. Mr. S. Hanumantha Rao	Director (Finance)*

*Shri S. Hanumantha Rao designated as Non-Executive Director w.e.f. 28.12.2015.

3. List of Related Parties

Sl. No	Name of the Company	G.S. Raju	S. Hanumantha Rao
1	Foster Infin and Trading Private Limited	√	
2	Sujana Energy Limited		√
3	Sujana Finance and Trading Private Limited	√	
4	Sujana Holding Limited	√	√
5	Sujana Universal Industries Ltd	√	√
6	Sujana Power (Gangikondan) Limited		√
7	Sujana Power (India) Limited	√	√
8	Sujana Power (Tuticorin) Limited		√
9	Sujana Projects Limited	√	√
10	Sujana Towers Limited	√	√
11	Yalamanchili Finance and Trading Private Limited	√	
12	Sujana Pumps & Motors Pvt. Ltd		

Note: Related parties have been identified by the management.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

Related Party Transactions with:				
Particulars	Subsidiaries		On Account of Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15
A). Sales				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	10,179.17	5,263.50
Sujana Towers Limited	-	-	687.47	1,719.26
SUB-TOTAL	-	-	10,866.64	6,982.76
B). Purchases				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	4,276.04	6,995.86
Sujana Towers Limited	-	-	675.50	1,223.27
SUB-TOTAL	-	-	4,951.54	8,219.13
C). Investments made during the year/period				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	552.01	-	-
SUB-TOTAL	-	552.01	-	-
D). Advances given/(refunded) during the year				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	(552.01)	-	-
SUB-TOTAL	-	(552.01)	-	-
E). Advances received during the year				
Yalamanchili Finance and Trading Private Limited	-	-	-	1,176.80
SUB-TOTAL	-	-	-	1,176.80
F). Other Income				
Sujana Universal Industries Ltd	-	-	9.00	9.00
SUB-TOTAL	-	-	9.00	9.00
G). Other Expenses				
Glade Steel Private Limited	9.00	9.00	-	-
SUB-TOTAL	9.00	9.00	-	-
H) Remuneration				
Mr. R.K.Birla - Managing Director	-	-	90.27	120.36
Mr. Hanumantha Rao- Director Finance	-	-	10.35	13.80
SUB-TOTAL	-	-	100.62	134.16

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

30 Earnings Per Share

Particulars	2015-16	2014-15
Profit After Tax	(9,953.33)	1,018.58
Less: Preference Dividend including tax thereon	0.00	17.59
Profit attributable to ordinary share holders	(9,953.33)	1,000.99
Profit attributable to ordinary share holders- for diluted EPS	(9,953.33)	1,000.99
Weighted average number of ordinary shares used in computing Basic Earnings per Share	221,090,033	2014,508.81
Add: Effect of potential ordinary (equity shares) on conversion of share warrants and redeemable preference shares	-	-
Weighted average number of ordinary (equity shares) used in computing Diluted Earnings Per Share.	221,090,033	2014,508.81
Earnings per share - Face Value: Rs. 5/- each		
Basic - Rs.	(4.46)	0.50
Diluted - Rs.	(4.46)	0.50

31 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2016	As at 31 March 2015
a) Contingent liabilities		
i) Claims against the Company not acknowledged as debts in respect of:		
Excise Duty	2,413.00	2,071.70
Custom Duty	727.64	839.24
TNVAT/APGST/CST	12,997.44	2,198.12
Income Tax (Net of liability as per return)	-	-
FERA*	400.00	400.00
ii) Guarantees		
Corporate Guarantees furnished on behalf of Sujana Universal Industries Ltd	81,410.00	81,410.00
Corporate guarantee furnished on behalf of Optimix Enterprises Limited (USD 75 lakhs)	4,087.50	4,087.50
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for on account of tangible assets		
i. Export commitments on account of import of machinery and equipments at concessional duty under EPCG scheme (31.03.2015 : Rs. 112.16 Lakhs). Such export commitments need to be fulfilled by the Company on or before 23 April 2016. As on 31 March 2015, the Company has fulfilled its export commitments and which are pending final approval of Director General of Foreign Trade. In the event of non-fulfillment of the export commitments by 23 April 2016 by the Company, the liability (excluding interest and penalties) towards customs duty.	112.16	112.16

*Against which bank guarantee of Rs.215 lakhs has been issued.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

32. TERMS OF CDR AND IMPLEMENTATION THEREOF:

The loans of the company have been restructured under the Corporate Debt Restructuring (CDR) System. The CDR package was sanctioned by CDR Empowered Group, at their meeting held on 25.03.2013

Salient Features of the CDR package are given below:-

i)	Cut-off date (COD) for loans has been taken as 1st October 2012.		
ii)	Summary of the interest rate on Term Loan, WCTL & Working Capital is as under:		
	Facility	From Cut-off date till September 2014	From October 2014 till the end of repayment period
	Term Loan	11.00%	13.00%
	Term Loan – SASF	9.00%	9.00%
	WCTL	11.00%	13.00%
	FITL	11.00%	11.00%
	Cash Credit	11.00%	11.5%
	All the interest rates are linked to the base rate of the monitoring institution i.e. Punjab National Bank.		
iii)	Term Loans are restructured with a moratorium of 24 months from COD and repayable in 96 equal monthly installments starting from 31st October 2014.		
iv)	The irregularity in the Cash Credit is carved out as Working Capital Term Loan and is repayable in 96 equal monthly installments starting from 31st October 2014.		
v)	The interest on term loan and WCTL from cut-off date till September 30, 2014 is converted as Funded Interest Term Loan-I, repayable in 54 equal monthly installments starting from Oct 31, 2014.		
vi)	The interest on Cash Credit from Cut-off date till March 31, 2013 is converted as Funded Interest Term Loan-II, repayable in 54 equal monthly installments starting form April 30, 2013.		
vii)	Interest overdues to Stressed Assets StabilisationFund (SASF) prior to cut-off date would be converted into FITL-I(A) to be repaid in 48 equal monthly installments starting from October 31, 2014 with 9% interest.		
viii)	Additional Term Loan of Rs. 40 Crores was approved carrying interest of 13.5% and repayable in 96 equal monthly installments.		
ix)	Additional Cash Credit and Non-fund based limits as per the appraisal of the banks.		
x)	Promoters shall bring their contribution of Rs.52.33 crore		
xi)	The lenders shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders as per guidelines.		

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All the lenders with the exception of SASF have restructured the debts as stipulated in the package. Though SASF agreed with the general terms and conditions of restructuring under CDR, it insisted for clearance of interest overdue as on October 1, 2012 (CDR COD) and has not communicated sanction for CDR package.

- 33** The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.). The leasing arrangements, which are not non-cancellable, range between ten months and three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals Rs.148.51 lakhs (31.03.2015 : Rs.148.51 lakhs) payable are charged as rent in to the statement of profit and loss.
- 34** Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- 35** Balances of Unsecured loans, receivables, payables and loans and advances are subjects to their confirmation and reconciliations.

See accompanying notes forming part of the Financial Statements 1-35.

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & Associates

Chartered Accountants

FRN No: 003329S

R K Birla

Managing Director

(DIN: 00118776)

S. Hanumantha Rao

Director

(DIN: 00118801)

T. Raghavendra

Mem.No : 023806

Ch. Narayana Rao

Chief Financial Officer

Shaik Ibraheem

Company Secretary

Place : Hyderabad

Date : 30th May 2016

Place : Hyderabad

Date : 30th May 2016



SUJANA METAL PRODUCTS LIMITED

Regd Office: No. 18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

CIN : L28120TG1988PLC008610

26th Annual General Meeting : Friday, 30th September, 2016

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I, hereby record my presence at the 26TH Annual General Meeting of the Company to be held on Friday, September 30th , 2016 at Katriya Hotel & Towers, #8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana at 12.00 noon.

Folio No./DP ID-Client ID:.....

Full Name of the Shareholder in Block Letters:.....

No. of Shares held:.....

Name of Proxy (if any) in Block Letters:.....

*Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Representative*

ELECTRONIC VOTING PARTICULARS

EVEN	User ID	Password
105398		



SUJANA METAL PRODUCTS LIMITED

Regd Office: No. 18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

CIN : L28120TG1988PLC008610

Form No. MGT - 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	E-Mail Id:
Registered Address:	
Folio No./Client Id:	DP Id:

I/We, being the Member(s) of shares of the above named Company, hereby appoint

Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the Friday, September 30th, 2016 at 12.00 noon at Katriya Hotel & Towers, # 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1	Adoption of Audited Standalone Financial Statements and Consolidated Financial Statements for the year ended 31st March, 2016 and the Reports of Directors & Auditors thereon.
2	Re-appointment of Shri S.Hanumantha Rao, who retires by rotation.
3	Re-appointment of M/s. T. Raghavendra & Associates Chartered Accountants, as Statutory Auditors of the Company.
Special Business	
4	Appointment of Smt. A. Syamala Reddy, Independent Director in terms of Section 149 of the Companies Act, 2013.
5	To fix the remuneration of Shri R.K. Birla, Managing Director of the Company for the balance tenure of his term.
6	To consider and approve the change of the name of the Company from "Sujana Metal Products Limited" to "Splendid Metal Products Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company
7	To consider and approve the increase of Authorised Share Capital of the Company from Rs. 200 crores to Rs. 1000 crores
8	To consider and approve the issue of Cumulative Redeemable preference shares (CRPS).
9	To approve and confirm the Strategic Debt Restructuring scheme (SDR)/outside SDR formulated by Reserve Bank of India.
10	Ratification of remuneration of the Cost Auditor of the Company.

Signed this day of September, 2016.

Signature of the shareholder

Signature of Proxy holder(s).....

Affix Revenue Stamp Re 1.00

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

Form No. MGT - 12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L28120TG1988PLC008610
Name of the Company : Sujana Metal Products Limited
Registered office : Plot No. 18, Nagarjuna Hills, Panjagutta, Hyderabad, Telangana – 500 082, India

BALLOT PAPER

S.No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business				
1.	Adoption of Audited Standalone Financial Statements and Consolidated Financial Statements for the year ended 31st March, 2016 and the Reports of Directors & Auditors thereon.			
2.	Re-appointment of Shri S. Hanumantha Rao, who retires by rotation.			
3.	Re-appointment of M/s. T. Raghavendra & Associates Chartered Accountants, as Statutory Auditors of the Company.			
Special Business				
4.	Appointment of Smt. A. Syamala Reddy, Independent Director in terms of Section 149 of the Companies Act, 2013.			
5.	To fix the remuneration of Shri R.K. Birla, Managing Director of the Company for the balance tenure of his term.			
6.	To consider and approve the change of the name of the Company from "Sujana Metal Products Limited" to "Splendid Metal Products Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company			
7.	To consider and approve the increase of Authorised Share Capital of the Company from Rs.200 crores to Rs.1000 crores			
8.	To consider and approve the issue of Cumulative Redeemable preference shares (CRPS).			
9.	To approve and confirm the Strategic Debt Restructuring scheme (SDR)/outside SDR formulated by Reserve Bank of India.			
10.	Ratification of remuneration of the Cost Auditor of the Company.			
Place:				
Date: (Signature of the shareholder)				

INSTRUCTIONS:

- This Ballot paper is for the members who have not voted through e-voting facility. A member can opt for only one mode of voting i.e., either through e-voting or by Ballot paper. If a Member casts votes in both the modes, then vote cast through e-voting shall prevail and Ballot paper shall be treated as invalid.
- The vote should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Ballot paper bearing tick marks in both the columns will be treated as invalid. Please do not use pencil.
- This form should be completed and signed by the Member/Proxy Holder as per the specimen signatures registered with the Company/Depository. In case of joint holding this form should be completed and signed by the first named member.
- Any cutting/overwriting on this Ballot paper should be signed by the shareholder/proxy holder.
- Unsigned, incomplete, improperly or incorrectly tick marked Ballot papers will be rejected. A Ballot paper will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or as to whether the votes are in favour or against or if the signature cannot be verified.
- The decision of Scrutinizer on the validity of the Ballot paper and any other related matter shall be final.
- The Scrutinizer will collate the votes downloaded from the e-voting system and votes cast through Ballot paper to declare the final result for each of the Resolutions enumerated above.
- The Results shall be declared on or after the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.sujana.com and on the website of www.bighshareonline.com within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

INTENTIONALLY KEPT BLANK

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Sujana Metal Products Limited

Registered Office :

#18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

Phone: 040-23351882, 23351887

Website : www.sujana.com