

SPLENDID METAL PRODUCTS LIMITED

(Formerly known as Sujana Metal Products Limited)

Date: 6th October, 2017

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 2016-17 reg.


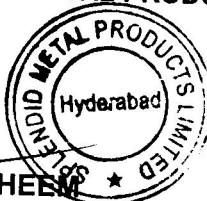
Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2016-17 for your information and record.

Kindly acknowledge the same.

Thanking you,

Yours faithfully,

For SPLENDID METAL PRODUCTS LIMITED



SHAIK IBRAHEEM
COMPANY SECRETARY
Encl: as above.

Registered & Corporate Office : 18, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, TELANGANA, INDIA.

Tel: +91(40) 2335 1882, 2335 1885 Fax: +91 (40) 2335 8499

E-mail : splexim@yahoo.co.in

CIN: L28120TG1988PLC008610

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STRUCTURAL
STEEL**

27th ANNUAL REPORT

2016 - 2017

**SPLENDID METAL
PRODUCTS LIMITED**

(Formerly known as Sujana Metal Products Limited)



CORPORATE INFORMATION**BOARD OF DIRECTORS**

<i>Non-Executive Chairman</i>	:	Dr. V. Malakonda Reddy*
<i>Managing Director</i>	:	Shri R.K.Birla
<i>Directors</i>	:	Shri G.Srinivasa Raju Shri J. Ramakrishnan* Dr. K.Srinivasa Rao* Shri S.Hanumantha Rao Shri Ch. Srinivasu, IDBI Nominee Shri Ram 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 Shri G.Srinivasa Raju
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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
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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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SPLENDID 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,
Gummidi Pondi, 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 Seventh (27th) Annual General Meeting of the members of the Company will be held on Friday, the 29th day of September, 2017 at Katriya Hotel & Towers, # 8, Raj Bhavan Road, Somajiguda, Hyderabad-500082, 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, 2017 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri G. Srinivasa Raju (DIN: 00132249), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. T. Raghavendra & Associates (Membership No. 023806), Chartered Accountants, as Statutory Auditors and if thought it to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the resolution passed by Members at the Twenty Sixth(26th) Annual General Meeting appointing M/s. T.Raghavendra & Associates (Membership No.023806), Chartered Accountants as Statutory Auditors of the Company to hold office until the conclusion of Thirtieth (30th) Annual General Meeting of the Company, the Company hereby ratifies the appointment of M/s. T.Raghavendra & Associates, as Statutory Auditors of the Company for the financial year ending 31st March,2018, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee in consultation with the auditors.”

SPECIAL BUSINESS

4. **To consider and re-appoint Shri R.K.Birla, as Managing Director of the Company and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“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 of 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, consent of the members be and is hereby accorded for reappointment of Shri R.K. Birla (DIN:00118776), as the Managing Director and Whole time Key Managerial Personnel (KMP), of the Company liable to retire by rotation, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company, for a period of 03 (three) Years, effective from 14th August, 2017 till 13th August, 2020 on the remuneration of Rs. 60,18,000 (Sixty Lakhs Eighteen Thousand Only) per annum (including perquisites except car and telephone provided by the Company).

“RESOLVED FURTHER THAT the terms of the re-appointment of Shri R.K. Birla shall be subject to revision by the Board of Directors (here inafter referred to as “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), from time to time during the tenure of the appointment, taking into account the performance of the Company, within the overall limit as provided in the provisions of the Companies Act, 2013.”

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“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of 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, as 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 specified above and subject to Schedule V of the Companies Act 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 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”.

5. To ratify the remuneration of the Cost Auditors for the financial year ending March 31st , 2018 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. 1,50,000/- (Rupees One Lakh Fifty Thousand 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 2017-18, 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

R.K.BIRLA

Place: Hyderabad

Managing Director

Date: August 14th, 2017

(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 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 28th , 2017 (One day only).
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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).
15. 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.
16. 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 the Company 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

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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.

17. Electronic copy of the Annual Report for 2016-17 (including Notice of the 27th 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 2016-17 is being sent in the permitted mode.
18. 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.
19. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2016-17 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.
20. 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.
21. 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.

22. 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 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 27th 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 e-voting") 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 25th, 2017 (9:00 A.M.) and ends on September 28th, 2017 (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 22nd, 2017, 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, Proprietor of M/s. RPR & Associates, Company Secretaries, 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 48 (Forty eight) hours 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 Splendid Metal Products Limited (Formerly known as Sujana Metal Products Ltd.)
 - (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 yrvifcs@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

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/ 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 22nd September, 2017.
- (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. 22nd September, 2017, 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

R.K.BIRLA

Managing Director
(DIN: 00118776)

Place: Hyderabad
Date: August 14th, 2017

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 5 of the accompanying Notice:

Item No 4:

Shri R.K.Birla aged about 65 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. Shri R.K.Birla was appointed as Managing Director of the Company for a period of 5 years with effect from 28.01.2013. His current term of appointment as a Managing Director of the Company shall expire on 27.01.2018. On the recommendation of the Nomination and Remuneration Committee, Board of Directors re-appointed him as Managing Director of the Company for a further period of 3 years with effect from 14.08.2017 with a remuneration of Rs. 60,18,000/- per annum (including perquisites except car and telephone provided by the Company) pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 read with Section II of Part II of Schedule V of the Companies Act, 2013 and subject to the approval of members of the Company and Central Government required if any and such other statutory approvals as may be required.

During the financial year 2016-17, your Company has incurred a loss of Rs. 341.75 crores. 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.

As the profits for the year 2016-17 are inadequate to pay the remuneration to managerial person under Section 197 of the Companies Act, 2013, special resolution is required to be passed by the members of the Company to fix the remuneration of Shri R.K.Birla, Managing Director for a period not exceeding three years pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 subject to the approval of Central Government required if any and such other statutory approvals as may be required.

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. 4 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.

Splendid 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 2016-17 (12 months) (Rs in lakhs)	FY 2015-16 (12 months) (Rs in lakhs)	FY 2014-15 (12 months) (Rs in lakhs)
Total Revenue	132026.92	352632.33	352277.39
Total Expenses	175266.78	366823.49	351711.04
Profit After Tax	(34175.16)	(10518.70)	93.76
Dividend Rate	Nil	Nil	Nil

(5) Export performance and net foreign exchange earnings:

Particulars	FY 2016-17 (12 months) (Rs in lakhs)	FY 2015-16 (12 months) (Rs in lakhs)	FY 2014-15 (12 months) (Rs in lakhs)
Export FOB Value	Nil	Nil	1820.29
Earnings in Foreign Exchange	Nil	1994.02	1820.29

(6) Foreign investments or collaborators, if any:

- Investments in subsidiaries during 2016-17 : Nil
- Loans and advances to subsidiaries during 2016-17 : 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 : 65 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 strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and overseas steel industry.

- (2) **Past Remuneration:** During the year 2016-17, the Company has not paid any remuneration to Shri R.K.Birla due to losses. The members of the Company 26th

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Annual General Meeting held on 30th September, 2016 have fixed the remuneration of Rs.1,20,36,000/- (Rupees One Crore Twenty Lakhs Thirty Six Thousand Only) per annum to Shri R. K. Birla, Managing Director of the Company for the balance tenure of his term i.e upto 27.01.2018.

(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. 60,18,000/- (Rupees Sixty Lakhs Eighteen 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. 4,25,000/- 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.34175.16 lakhs for the financial year ended 31st March 2017. 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. 4 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. 4 of the Notice for approval of members of the Company.

Item No: 5

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on May 30th, 2017, has approved the appointment and remuneration of the M/s. Nageswara Rao & Co, (Membership 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, 2018 on a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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. 5 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD

R.K. BIRLA

Managing Director

(DIN: 00118776)

Place: Hyderabad

Date: August 14th, 2017

SPLENDID METAL PRODUCTS LIMITED

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	Shri G. Srinivasa Raju	Shri R.K.Birla
Director Identification Number	00132249	00118776
Date of Birth	20.10.1963	20.01.1952
Date of Appointment	18-08-1999	05.05.1992
Expertise	<p>He is a Promoter-Non Executive Director of the company. He has a rich and varied industrial experience, which also includes the management of granite units. Mr. G. Srinivasa Raju has wide exposure to the steel products industry; he also possesses a deep understanding of all the aspects of business administration. Presently, he is the managing director of SUIL.</p> <p>Mr. G. Srinivasa Raju has joined as one of the promoters in the year 1995.</p>	<p>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</p>
Qualifications	Post graduate in mechanical engineering with specialization in Machine designs from Roorkee University	MBA from Birla Institute of Technology
Directorship held in other public companies (excluding foreign companies)	<ol style="list-style-type: none"> 1. Sujana Universal Industries Limited 2. Sujana Holdings Limited 3. Neueon Towers Limited 4. Sujana Projects Limited 5. Sujana Energy Limited 6. Sujana Capital Services Limited 	Nil
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders' Grievances Committee) C=Chairman, M=Member	<p>Shareholders' Grievances Committee:</p> <ol style="list-style-type: none"> 1. Neueon Towers Limited (M) 2. Sujana Universal Industries Limited(M). 	Nil
Shareholdings in the Company	Nil	Nil
Relationship between directors inter-se	Nil	Nil

DIRECTORS' REPORT

To

The Members of Splendid Metal Products Limited,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company together with the Audited Financial Statements of Accounts for the Financial Year ended 31st March, 2017.

Company's Performance:

Your Directors hereby report that the Company has achieved a turnover of Rs. 131986.52 lakhs upto 31.03.2017 as against the turnover of Rs. 352237.22 lakhs during the previous financial year ended 31.03.2016.

The highlights of the financial results are as follows:

(Rs. In Lakhs)

Particulars	2016-2017	2015-2016
Profit Before Depreciation & Interest	(13708.47)	11982.56
Financial Costs	26161.36	22661.43
Depreciation	3370.03	3512.28
Profit/Loss Before Tax	(43239.86)	(14191.14)
Provision for Tax		
- Current Tax	-	-
- Deferred Tax	(9064.70)	(3672.44)
Profit/Loss After Tax	(34175.16)	(10518.70)
Balance of profit brought forward from earlier years	693.67	11116.84
Add: Excess Provision for IT written off		
Profit available for appropriation	-	693.67
Appropriations:		
Proposed Dividend:		
- Equity	-	-
- Preference	-	-
- Dividend Tax	-	-
Balance of Profit	(33483.57)	693.67

Operations & Overall Performance:

During the year under review, your Company reported total income of Rs. 132026.92 Lakhs as against Rs. 352632.33 lakhs of previous year. Your company incurred loss before tax of Rs. 43239.86 lakhs as against loss of Rs. 14191.14 lakhs in the

previous year. After making a provision of Rs. 26161.36 Lakhs towards interest and Rs. 3370.03 Lakhs towards depreciation, the current financial year closed with a net loss of Rs.34175.16 Lakhs as against net loss of Rs. 10401.37 Lakhs last year.

The net worth of the Company as on 31st March, 2017 is Rs 28575.39 lakhs against Rs. 62752.64 lakhs in 2015-16. Net worth is decreased by Rs. 34177.24 lakhs.

Consolidated turnover of Rs. 156141.95 lakhs as against Rs. 418283.26 lakhs in the previous year and Consolidated Loss before Tax of Rs. 42971.44 lakhs as against loss of Rs. 13720.07 lakhs in the previous year.

Despite adverse Global as well as Indian economy, your Company performed moderately and Splendid 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 2016-17. 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, 2017 and the date of this report.

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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:

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 States of Telangana and Andhra Pradesh. The Company has preferred appeal OSA 12 of 2015 against the said admission. In OSA 12 of 2015, the Hon'ble High Court on 28.08.2016 has dismissed as infructuous. 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:

M/s T. Raghavendra & Associates were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 30th September, 2016 for a term of four consecutive years. As per the provisions

of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

Your Board of Directors recommended the ratification of the appointment of M/s. T. Raghavendra & Associates, Chartered Accountants (Registration No. 003329S), Hyderabad, as Statutory Auditors of the Company for the year 2017-18.

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 2017-18 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,2018.

The Cost Audit Reports the financial year ended March 31, 2016 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, Proprietor of M/s. RPR & Associates, Company

Secretaries 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, 2017 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, 2017 was Rs.15050.54 Lakhs. During the year 2016-17, there was no change in the share capital of the Company.

The Company has not issued any share with differential voting rights nor has granted any stock options or sweat equity as on 31st March, 2017. 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 4 (Four) board meetings were held on May 30th, 2016, August 27th, 2016, December 14th, 2016 and February 13th, 2017. The maximum time gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013

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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, 2016 appointed Smt A.Syamala Reddy as Independent Directors under Section 149 of the Act to hold office for 5 (Five) consecutive years.

Smt A.Syamala Reddy, an Independent and Non Executive Director of the Company resigned from the Board of Directors with effect from June 29th, 2017. The Board placed on record its sincere appreciation and thanks to Smt A. Syamala Reddy for her support and guidance provided from time to time during her tenure as Director of the Company. Sri Ram Kumar has been appointed as PNB Nominee in place of Sri Vimallesh Kumar w.e.f. December 14th, 2016.

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

Pursuant to the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013, Shri R.K.Birla has been re-appointed as Managing Director of the Company for a period not exceeding three years w.e.f 14th August, 2017 by the Board of Directors at their meeting held on 14th August, 2017.

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 164 (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

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, 2017 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%

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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%

A separate statement containing the salient features of the Financial Statement for the financial year ended 31st March, 2017 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 2016-17, 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

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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.SHANUMANTHA RAO
Director
DIN:00118801

Place : Hyderabad
Date : August 14th 2017

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



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 Industries Ltd. (Group Company)	Sales & Purchases of Materials	On Going	Based on transfer pricing guidelines	Not applicable	Not applicable
2	Neueon Towers Ltd. (Group Company)	Sales & Purchases of Materials	On Going	Based on transfer pricing guidelines	Not applicable	Not applicable
3	Glade Steel Pvt. Ltd.	Sales & Purchases of Materials	On Going	Based on transfer pricing guidelines	Not applicable	Not applicable
4	Lakshmi Gayatri Industries 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 14th 2017

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 Programs 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:

- Shri S Hanumantha Rao - Chairman
- Shri G Srinivasa Raju - Member
- 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. 14827.59 lakhs, Hence not applicable.

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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 14th 2017

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, 2017; 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, 2017.
- 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, 2017, 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 14th 2017

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, 2017

To,

The Members,

M/s. Splendid Metal Products Limited

(Formerly known as Sujana Metal Products Ltd)

18, Nagarjuna Hills, Punjagutta,

Hyderabad

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

Based on our 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, We hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31st, 2017, (i.e. from April 01st, 2016 to March 31st, 2017) generally 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. We 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, 2017 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'):-
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. 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 during the financial year under report:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. 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;
 - e. 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. We 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 States of Telangana and Andhra Pradesh. The Company has preferred appeal OSA 12 of 2015 against the said admission. In OSA 12 of 2015, the Hon'ble High Court on 28.08.2016 has dismissed as infructuous. 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.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, 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.

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

For RPR & Associates
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
CP No. 5360
Membership No. 5783

Place: Hyderabad
Date: May 30th, 2017

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

ANNEXURE

To,
The Members of
M/s. Splendid Metal Products Limited
(Formerly known as Sujana Metal Products Ltd)
Plot No. 18, Nagarjuna Hills, Punjagutta,
Hyderabad – 500 082.

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

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

For RPR& Associates
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
CP No. 5360
Membership No. 5783

Place: Hyderabad
Date: May 30th, 2017

SPLENDID METAL PRODUCTS LIMITED

Annexure – V

FORM No. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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	SPLENDID 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	ASIAN TIDE 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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	32,00,028	-	32,00,028	1.06%	32,00,028	-	32,00,028	1.06%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	17,17,04,720	-	17,17,04,720	57.04%	17,01,04,720	-	17,01,04,720	56.51%	-0.53%
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)	17,49,04,755	-	17,49,04,755	58.11%	17,33,04,755	-	17,33,04,755	57.57%	-0.53%
(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)	17,49,04,755	-	17,49,04,755	58.11%	17,33,04,755	-	17,33,04,755	57.57%	-0.53%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	1,50,47,201	200	1,50,47,401	5.00%	1,37,59,682	200	1,37,59,882	4.57%	-0.43%
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):-	1,50,47,201	200	1,50,47,401	5.00%	1,37,59,682	200	1,37,59,882	4.57%	-0.43%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,64,57,305	51,665	1,65,08,970	5.48%	14836222	51,665	1,48,87,887	4.95%	-0.54%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									

SPLENDID METAL PRODUCTS LIMITED

i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4,54,87,432	6,14,638	4,61,02,070	0.00%	47040493	6,11,738	4,76,52,231	15.83%	15.83%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4,70,43,850	-	4,70,43,850	15.63%	49584884	0	4,95,84,884	16.47%	0.84%
c) Others (specify)	-	-	-	0.00%	0	0	-	0.00%	0.00%
Non Resident Indians	12,19,816	200	12,20,016	0.41%	1392489	200	13,92,689	0.46%	0.06%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	0	0	-	0.00%	0.00%
Clearing Members	1,83,819	-	1,83,819	0.06%	428553	0	4,28,553	0.14%	0.08%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies-D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	11,03,92,222	6,66,503	11,10,58,725	0.00%	11,32,82,641	6,63,603	11,39,46,244	0.00%	0.00%
Total Public (B)	12,54,39,423	6,66,703	12,61,06,126	41.89%	12,70,42,323	6,63,803	12,77,06,126	42.43%	0.53%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30,03,44,178	6,66,703	30,10,10,881	100.00%	30,03,47,078	6,63,803	30,10,10,881	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	32,00,024	0.00%	1.1%	32,00,024	0.00%	1.06%	0.00%
2	Yalamanchili Finance & Trading Pvt Ltd	13,14,26,585	0.00%	43.66%	13,14,26,585	0.00%	43.66%	0.00%
3	Sujana Pumps and Motors Private Limited	10,00,000	0.00%	0.33%	10,00,000	0.00%	0.33%	0.00%
4	Shri S.Hanumantha Rao-Trusee for odd lot shares	7	0.00%	0	7	0.00%	0%	0.00%
5	Sujana Holdings Limited	1,00,00,000	0.00%	3.32%	1,00,00,000	0.00%	3.32%	0.00%
6	Foster Infin and Trading Private Limited	2,50,00,000	0.00%	8.31%	2,50,00,000	0.00%	8.31%	0.00%
7	Golkonda Finance and Trading Private Limited	20,41,505	0.00%	0.68%	20,41,505	0.00%	0.68%	0.00%
8	Prime Infoinvest Limited	22,36,630	0.00%	0.74%	6,36,630	0.00%	0.21%	0.53%
9	Y.Padmaja	4	0.00%	0.00%	4	0.00%	0.00%	0.00%
	Total	17,49,04,755	0.00%	58.10%	17,33,04,755	0.00%	57.57%	0.53%

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	% of total shares	% of total shares
1	At the beginning of the year	01-04-2016	-	17,49,04,755	58.11%	-	
2	Changes during the year		Transfer	16,00,000	0.53%	17,33,04,755	57.57%
3	At the end of the year	31-03-2017	-	-	-	17,33,04,755	57.57%

(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	01-04-2016		1,27,59,682	4.24%		
	Changes during the year	Nil		-	0.00%	-	0.00%
	At the end of the year	31/03/2017				1,27,59,682	4.24%
2	Raghunatha Reddy Meda						
	At the beginning of the year	01-04-2016		66,50,063	2.21%	-	
	Changes during the year	08-05-2016	Transfer	49,937	0.02%	-	-
	At the end of the year	31/03/2017				67,00,000	2.23%
3	Prakash Arts Private Limited						
	At the beginning of the year	01-04-2016		5,500,000	2.73%		
	Changes during the year	Nil					
	At the end of the year	31/03/2017				5,500,000	1.83%
4	Srihari Babu Kancherla						
	At the beginning of the year	01-04-2016		30,45,481	1.01%		
	Changes during the year	Nil					
	At the end of the year	31/03/2017				30,45,481	1.01%
5	MRKR Constructions Pvt Ltd						
	At the beginning of the year	01-04-2016		14,85,000	0.49%		
	Changes during the year	28/10/2016	Transfer	15,000	0.00%	-	
		31/03/2017				15,00,000	0.50%
6	Tarun Shantilal Joshi						
	At the beginning of the year	01-04-2016		4,08,647	0.14%		
	Changes during the year	24/03/2017	Transfer	9,91,353	0.33%	-	1
		31/03/2017				14,00,000	0.47%
7	Mubasher Hussain Ansari						
	At the beginning of the year	01-04-2016		13,68,703	0.45%		
	Changes during the year	Nil			-	-	-
	At the end of the year	31/03/2017				1,368,703	0.45%

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8	Sicom Limited						
	At the beginning of the year	01-04-2016		12,87,519	0.43%		
	Changes during the year	06-03-2016	Transfer	(50,000)	-0.02%		
		06-10-2016	Transfer	(1,11,177)	-0.04%		
		17/06/2016	Transfer	(1,25,000)	-0.04%		
		24/06/2016	Transfer	(1,63,232)	-0.05%		
		30/06/2016	Transfer	(77,300)	-0.03%		
		07-01-2016	Transfer	(50,000)	-0.02%		
		07-08-2016	Transfer	(2,00,000)	-0.07%		
		15/07/2016	Transfer	(2,43,835)	-0.08%		
		22/07/2016	Transfer	(1,50,000)	-0.05%		
		29/07/2016	Transfer	(1,06,975)	-0.04%		
		08-05-2016	Transfer	(10,000)	0.00%		
	At the end of the year	31-03-2017					0.00%
9	Shiv Kumar Nathany						
	At the beginning of the year	01-04-2016		12,41,000	0.41%		
	Changes during the year	Nil	Transfer	-	0.00%		
	At the end of the year	31/03/2017				12,41,000	0.41%
10	Indian Overseas Bank						
	At the beginning of the year	01-04-2016		10,00,000	0.33%	-	0.56%
	Changes during the year	Nil		-	-	-	
	At the end of the year	31/03/2017				10,00,000	0.03%

(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	01-04-2016		30,000	0.00%	30,000	0.01%
	Changes during the year	Nil		-		-	
	At the end of the year	31-03-2017				30,000	0.00%
2	R.K.Birla-Managing Director						
	At the beginning of the year	01-04-2016		-	0.00%		
	Changes during the year	Nil		-	-	-	-
	At the end of the year	31-03-2017		-			0.00%
3	S.Hanumantha Rao-Non-Executive Director						
	At the beginning of the year	01-04-2016		7	0.00%	7	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017				7	0.00%

4	G.Srinivasa Raju-Non-Executive Director						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017			0.00%	Nil	0.00%
5	Dr.V.Malakonda Reddy - Independent Director						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					0.00%
	At the end of the year	31-03-2017				Nil	0.00%
6	Dr.K.Srinivasa Rao-Independent Director						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017			0.00%	Nil	0.00%
7	J.Ramakrishnan-Independent Director						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017				Nil	0.00%
8	Ram Kumar - (PNB Nominee)						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017			0.00%	Nil	0.00%
9	Ch. Srinivasu - (IDBI Nominee)						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017				Nil	0.00%
10	A.Syamala Reddy -Independent Director						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017				Nil	0.00%
11	Ch. Narayana Rao-CFO						
	At the beginning of the year	01-04-2016		Nil	0.00%	Nil	0.00%
	Changes during the year	Nil					
	At the end of the year	31-03-2017				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	99,825.76	75.00		99,900.76
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	99,825.76	75.00		99,900.76
Change in Indebtedness during the financial year				
* Addition	17,367.65	-		17,367.65
* Reduction	14,787.45	5.00		14,792.45
Net Change	2,580.20	(5.00)		2,575.20

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Indebtedness at the end of the financial year				
i)	Principal Amount	1,11,015.21	70.00	1,11,015.21
ii)	Interest due but not paid	-	-	-
iii)	Interest accrued but not due	-	-	-
Total (i+ii+iii)		1,11,015.21	70.00	-

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)
	Name	R.K.Birla		
	Designation	Managing Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-
	(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)		-	-
	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.		

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	A.Syamala Reddy	
1	Independent Directors					
	Fee for attending board committee meetings	0.80	0.80	0.10	-	1.70
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.80	0.80	0.10	-	1.70
2	Other Non-Executive Directors	G. Srinivasa Raju	Ram Kumar (PNB Nominee)		Ch.Srinivasu (IDBI Nominee)	
	Fee for attending board committee meetings	-	0.10		0.30	0.40
	Commission	-	-		-	-
	Others, please specify	-	-		-	-
	Total (2)	-	0.40		0.30	0.40
Total (B)=(1+2)						2.10
Total Managerial Remuneration						2.10
Overall Ceiling as per the Act		The overall ceiling is as per limits stipulated in Schedule V / Section 197 of the Companies Act,2013				

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					

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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	0
Others	0
Total	0
Payments	
Imports	0
Travelling Expenses, Others	0.28
Total	0.28

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 2016-17, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17, 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 2016-17 (in lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2016-17
01	R.K.Birla (Managing Director)	0.00	0.00	Nil
03	Ch. Narayana Rao (Chief Financial Officer)	30.00	12.39	Nil
04	Shaik Ibraheem (Company Secretary)	12.38	5.12	Nil

Notes:

- (a) None of the other directors except as disclosed above draws any remuneration in the Company.
- (b) The median remuneration of employees of the Company during the financial year 2016-17 was Rs. 2.42 lakhs against the median remuneration of Rs. 1.71 lakhs of the previous year.
- (c) The number of permanent employees on the rolls of Company as on March 31st, 2017 is 124.
2. **The Explanation on the relationship between average increase in remuneration and company performance:**

The average increase in remuneration during the financial year 2016-17 is Nil. The total employees cost for the financial year ended 31st March, 2017 is Rs. 1280.08 lakhs against Rs. 1841.64 lakhs for the financial year ended 31st March 2016. During the year the Company achieved a total income of Rs 132026.92 lakhs against Rs. 352632.33 lakhs of last year. The Company incurred a net loss of Rs 34175.16 lakhs during the year 2016-17 as against a loss of Rs 10401.37 lakhs in the year 2015-16. 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	2016-17	2015-16
Total Revenue (Rs. in lakhs)	132026.92	352632.33
Aggregate Remuneration of Key Managerial Personnel (KMP) in F.Y. 2016-17 (Rs. In lakhs)	42.38	143.00
Remuneration of KMPs (as a % of revenue)	0.03	0.04

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**

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which the company came out with the last public offer:

Particulars	March 31st, 2017	March 31st, 2016	% of change
Market capitalisation (Rs in lakhs)*	6471.73	6923.25	(6.52)
Price Earnings Ratio	Nil	Nil	Nil

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

Particulars	March 31st, 2017	October 30th, 1992 (IPO)	% of change
Market Price(BSE) (Rs)	2.15	10	(78.50)
Market Price (NSE) (Rs)	2.20	10	(78.00)

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	Ch. Narayana Rao	Shaik Ibraheem
		Managing Director	Chief Financial Officer	Company Secretary
1	Remuneration in FY 2017 (Rs in Lakhs)	Nil	30.00	12.38
2	Revenue in FY 2017 (Rs in Lakhs)	132026.02		
3	Remuneration as % of revenue	NA	0.02	0.01

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.

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) Regulation, 2015 your Directors wish to report as follows:

a) Industry Structure and Developments

The Steel Industry is considered as backbone of the modern society and has direct correlation with the industrial developments. However, in recent years, the global steel industry has been passing through the stress due to significant oversupply in certain geographies, declining demand, falling spreads between steel prices and raw material prices and volatile currency movements. Indian government has made efforts to revive the steel industry by imposing anti-dumping duty, safeguard duty on imported steel products and other supportive government policies. After these initiations, in the recent period the steel sector in India has shown some signs of recovery and the domestic demand has risen. Now the sector is currently poised for its next wave of growth supported by the recent reforms launched by the government, showing a tremendous opportunity for the steel industry to grow exponentially.

b). Opportunities & Threats :

India is poised to become the 2nd largest steel producing country after China over the next two years, as the country's steelmakers continue to add capacities. The country's steel ministry is framing a new steel policy to increase the capacity of steel production to 300 million tonne by 2025.

There is a huge scope for Indian steel makers due to the country's low per capita steel consumption and positive future outlook due to increase in consumption from construction, automobile and railways sectors.

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.

For the first time in last 3 years, India was a net exporter of steel. Our country's steel exports grew by 150% to 0.75 million tons, while there has been a decline in imports by 46% to 0.49 million tons.

The increase in demand for steel is still struggling to keep pace with the rise in capacity as well as Global oversupply, low global prices and Chinese dumping, while high levels of debt and failure to service bank loans are the points of concern for the Steel sector in India.

c) 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.

d) Outlook

India's average Gross Domestic Product (GDP) growth has been estimated to grow by 7.1% in 2016-17 and 7.4% in 2017-18, down from 7.93% in 2015-16 on account of demonetization drive effected on 8th November, 2016.

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According to World Steel Association, the demand of steel in India is expected to grow by 5.7% in 2017 against a global growth in demand of 0.5% in 2017. Indian economy is one of the fewer economies to have stayed 'resilient' even during 'global slowdown' due to its focus on its reforms.

The rising infrastructure in the Country is ultimately going to increase the consumption rate of steel. The announcement of new steel policy is a step towards steering the industry to achieve its future potential and strategy to deal with various impediments like high input cost, availability of raw materials, dependency on imports, financial stress etc. and it will also facilitate India's annual production to 300 Million Tonne, by giving preference to locally manufactured steel and reducing imports to nil by 2025.

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.

e) 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.

f) 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.

g) Segment Wise Performance:

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

h) 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.

i) 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.

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 ,2017, 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 Woman Director, one (1) is Non-Executive Director and Two (2) are Nominee Directors. Shri Ram 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.

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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, 2017, the attendance record of the Directors at the Board Meetings held during the financial year 2016-17 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 4 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	-	-	3	Yes
Non-Executive Director						
2.	Shri S. Hanumantha Rao	8	-	3	4	Yes
Promoter-Non-Executive Director						
3.	Shri G. Srinivasa Raju	14	1	2	4	Yes
Independent & Non-Executive Directors						
4.	Shri J. Ramakrishnan	1	1	2	1	No
5.	Dr. K. Srinivasa Rao	1	1	1	4	Yes
6.	Dr. V. Malakonda Reddy	2	-	1	4	Yes
7.	Smt. A. Syamala Reddy ³	4	-	-	0	No
Nominee Directors						
8.	Shri Ch. Srinivasu Nominee from IDBI	1	-	-	3	No
9.	Shri Ram Kumar Nominee from PNB	1	-	-	1	No

Notes:

1. Including private limited Companies.
2. Only Audit and Shareholders' Grievances Committees considered.
3. Smt. A. Syamala Reddy, Independent & Non Executive Director resigned from the Board w.e.f. June 29th, 2017.

Change in Composition of Board of Directors since the date of last AGM held on 30th September, 2016

1. Resignation of Smt A.Syamala Reddy, Independent & Non-Executive Director of the Company w.e.f June 29th, 2017.
2. Sri Ram Kumar has been appointed as PNB Nominee in place of Sri Vimallesh Kumar w.e.f. December 14th, 2016.

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.

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.

Four (4) Board Meetings were held during the year 2016-17 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 30th , 2016
- (2) August 27th, 2016
- (3) December 14th, 2016
- (4) February 13th, 2017

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, 2017 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.

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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 2016-17, the audit committee met Four times on the following dates:

- (1) May 30th , 2016
- (2) August 27th , 2016
- (3) December 14th, 2016
- (4) February 13th, 2017

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	4
2.	Shri S. Hanumantha Rao - Member	Non-Executive Director	4
3.	Dr. V. Malakonda Reddy - Member	Independent and Non-Executive Director	4

Change in Composition of Audit Committee since the date of last AGM held on September 30th, 2016: 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.

The existing Committee comprises of:

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

During the year, One (1) Nomination and Remuneration Committee meeting was held on 27.08.2016.

There were no changes in composition of Nomination and Remuneration Committee since the date of last AGM held on September 30th, 2016.

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	--	--	--	--	--

Sitting Fee details:

Sl.No	Name of the Director	Sitting fee paid During the year (Rs)
1	Dr. K. Srinivasa Rao	80000
2	Dr. V. Malakonda Reddy	80000
3	Shri J. Ramakrishnan	10000
4	Shri Ch. Srinivasu(Nominee from IDBI Limited)	30000
5	Shri Ram Kumar (Nominee from PNB)	10000
	Total	210000

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, 2017:

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 A. Syamala Reddy	Independent and Non-Executive Director	Nil
Shri Ch. Srinivasu	IDBI Nominee	Nil
Shri Ram Kumar	PNB Nominee	Nil

3.3. Shareholders' Grievances Committee:

Scope of the Shareholders' Grievance Committee:

SPLENDID METAL PRODUCTS LIMITED

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 2016-17.

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 2016-17	Nil
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 17 (Seventeen) 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

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 2016-17.

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.	26th A.G.M	30th September, 2016	“Katriya Hotel & Towers”, Raj Bhavan, Somajiguda, Hyderabad - 500082	12.00 Noon	<ol style="list-style-type: none"> 1. To fix the remuneration of Shri R K Birla Managing Director of the Company for the balance tenure. 2. Name change of the Company from “Sujana Metal Products Limited” to “Splendid Metal Products Limited”. 3. Increase of Authorised Share Capital of the Company from Rs.200 crores to Rs.1000 crores. 4. Issue of Cumulative Redeemable preference shares (CRPS). 5. Approve and confirm the Strategic Debt Restructuring scheme (SDR)/outside SDR formulated by Reserve Bank of India.
2.	25th A.G.M	30th September, 2015	“Katriya Hotel & Towers”, Raj Bhavan, Somajiguda, Hyderabad - 500082	12.00 Noon	<ol style="list-style-type: none"> 1. Re-appointment of Shri S.Hanumantha Rao, Director-Finance of the Company and to fix the remuneration.

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3.	24th A.G.M	30th September, 2014	"Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500034	11.00 a.m	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.
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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:

The following resolutions were passed by the members of the Company through postal ballot on 8th October, 2016. The details are as follows:

Details of resolution passed through Postal Ballot	Details of voting pattern	Person who conducted the postal ballot exercise
Special Resolution under Section 12,13 and 110 of the Companies Act, 2013 to shift the Registered office of the Company from Hyderabad (the State of Telangana) to Mumbai (the State of Maharashtra).	No of votes cast in favour of the resolution: 17,45,92,332 No of votes cast against the resolution: 42,239	Shri Y. Ravi Prasada Reddy Practising Company Secretary FCS No. 5783 C.P. No. 5360

4.4 Details of special resolution which is proposed to be passed through postal ballot : Nil

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 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, Chief Financial Officer (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 Chief Executive Officer 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.

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(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 Splendid 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 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 Communique: 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 29th , 2017
2	Time	12.00 noon
3	Venue	Katriya Hotel & Towers, # 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana
4	Financial year	2016-2017, (consisting of 12 months from 01.04.2016 to 31.03.2017)
5	Book Closure Date	28.09.2017 (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 2016-2017 has been paid to both the above said Stock Exchanges.
10	E-voting facility	www.evoting.nsdl.com Open Date: September 25th, 2017 @ 9:00 A.M. Closing Date: September 28th, 2017@ 5:00 P.M. cut-off date is September 22nd, 2017
11	Company's Website	www.sujana.com

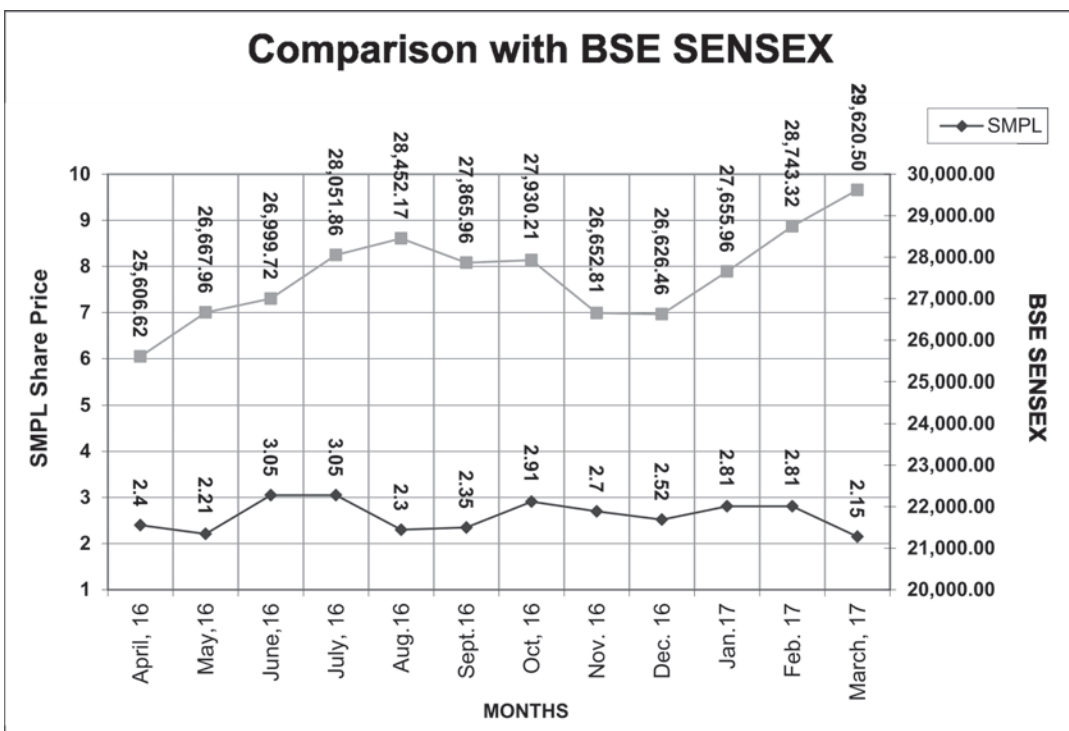
Market Price Data:

The monthly high and low stock prices during the financial year 2016-17 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 2016	2.53	2.19	2.40	25606.62
May 2016	2.44	2.05	2.21	26667.96
June 2016	2.39	2.20	3.05	26999.72
July 2016	3.69	2.20	3.05	28051.86

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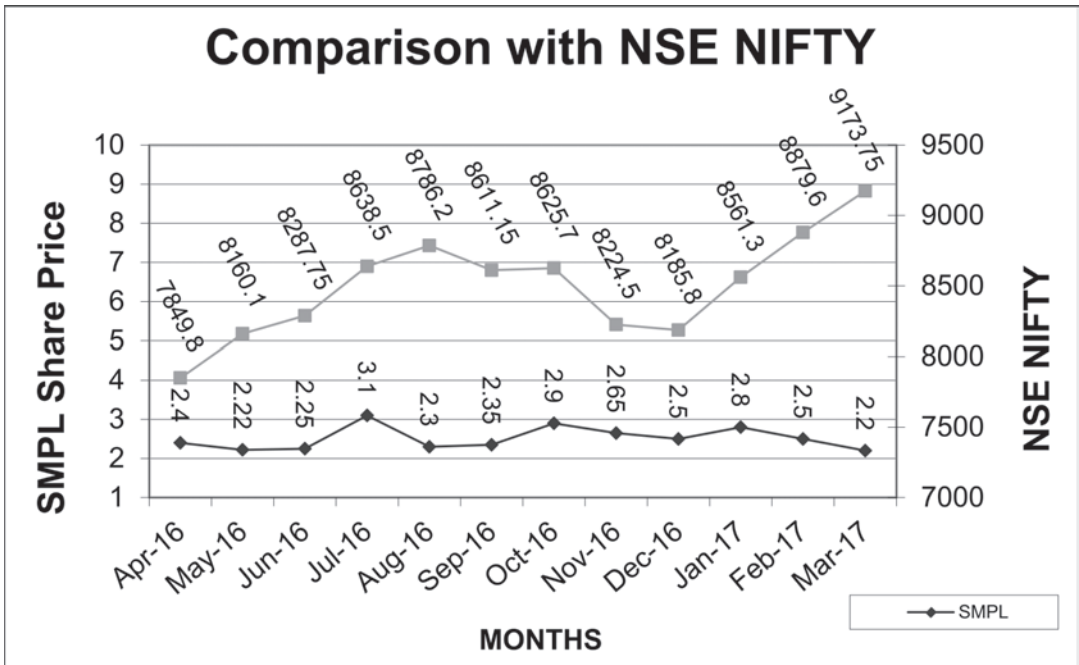
August 2016	3.03	2.27	2.30	28452.17
September 2016	2.59	2.18	2.35	27865.96
October 2016	3.03	2.40	2.91	27930.21
November 2016	3.24	2.40	2.70	26652.81
December 2016	2.80	2.42	2.52	26626.46
January 2017	2.85	2.50	2.81	27655.96
February 2017	3.05	2.50	2.81	28743.32
March 2017	2.58	1.80	2.15	29620.50



The monthly high and low stock prices during the financial year 2016-17 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 2016	2.60	2.15	2.40	7849.80
May 2016	2.45	2.05	2.22	8160.10
June 2016	2.40	2.05	2.25	8287.75
July 2016	3.80	2.10	3.10	8638.50
August 2016	3.25	2.25	2.30	8786.20

September 2016	2.60	2.20	2.35	8611.15
October 2016	3.05	2.30	2.90	8625.70
November 2016	3.25	2.40	2.65	8224.50
December 2016	3.00	2.40	2.50	8185.80
January 2017	2.85	2.50	2.80	8561.30
February 2017	3.05	2.45	2.50	8879.60
March 2017	2.60	1.85	2.20	9173.75



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 31.03.2017 as per the following details.

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Particulars	Number of Shares	% of share capital
NSDL	237397148	78.87
CDSL	62949930	20.91
Physical	663803	0.22
Total	301010881	100.00

Distribution of Shareholding :

As on 31st March, 2017, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholdings	No. of Shareholders	% of Shareholders
1. Upto - 5,000	7057179	2.34	22293	74.80
2. 5,001 - 10,000	3986582	1.32	2423	8.13
3. 10,001 - 20,000	4986199	1.66	1653	5.55
4. 20,001 - 30,000	5455519	1.81	1078	3.62
5. 30,001 - 40,000	2577403	0.86	360	1.21
6. 40,001 - 50,000	4820971	1.60	502	1.68
7. 50,001 - 1,00,000	10069380	3.35	684	2.30
8. 1,00,001 and above	262057648	87.06	811	2.72
Total	301010881	100	29804	100

Pattern of shareholding as on 31st March, 2017 (Face Value: Rs.5/- each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	17,33,04,755	57.57
Financial Institutions/Banks	1,37,59,882	4.57
Body Corporate	1,48,87,887	4.97
Individuals	9,72,37,115	32.30
Others	18,21,242	0.60
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 (CDSIL) 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.

Plant Location:

S.No.	State	Location
1	Telangana	Survey No.296/7/9, IDA Bollaram, Jinnaram Mandal, Medak District - 502325, 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-502325, 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-502325, Telangana.
8	Telangana	Survey No.473, 576 & 442, Chikatigudem, Kethepally Mandal, Nalgonda District, Telangana-508211.
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-530046.

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 2016-17, 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 14th, 2017

R.K.Birla
Managing Director
DIN: 00118776

SPLENDID METAL PRODUCTS LIMITED

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.

Place: Hyderabad
Date: 30.05.2017

CH. NARAYANA RAO
CHIEF FINANCIAL OFFICER

RAJ KUMAR BIRLA
MANAGING DIRECTOR

Certificate on Corporate Governance

To
The Members of Splendid Metal Products Limited,

I have examined the compliance of conditions of Corporate Governance by the Company M/s. Splendid Metal Products Limited (Formerly known as Sujana Metal Products Limited) ("the Company"), for the financial year ended March 31, 2017, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"].

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 Regulations.

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 14th, 2017

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

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 2017											Rs. In lakhs
Glade Steel Private Limited	Indian Rupee	1318.84	75.24	1985.64	1985.64	-	-	-67.87	-67.69	-	51.15%
Asian Tide Enterprises Ltd	USD 66.18	11786.18	9119.17	52634.40	52634.40	-	3956.52	208.95	208.95	-	100%
Alpha Ventures Limited	USD 66.18	2320.71	12409.48	17855.09	17855.09	-	20198.90	127.34	127.34	-	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 14th 2017

R.K.BIRLA
Managing Director
DIN:00118776

S.HANUMANTHA RAO
Director
DIN:00118801

SPLENDID METAL PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SPLENDID METAL PRODUCTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Splendid Metal Products Limited ('the Company') (Formerly known as Sujana Metal Products Ltd.), which comprise the Balance Sheet as at March 31, 2017, 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, 2017, and its profit and its 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 08 and 10 forming part of the financial statements regarding the Trade Receivables which are long overdue to the extent of Rs. 32,521.89 of which Rs.301.53 lakhs was provided as doubtful debts by the management. And Rs. 24787.26 lakhs of advances are long overdue of which Rs. 351.92 lakhs was provided as doubtful advances by the management.
- b. Refer note No. 34 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, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 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: 30-05-2017
Place: Hyderabad

SPLENDID METAL PRODUCTS LIMITED

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 Splendid Metal Products Limited ('the Company') (Formerly known as Sujana Metal Products Ltd.) as of March 31, 2017 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 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, 2017, 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: 30-05-2017
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 Splendid Metal Products Limited ('the Company') (Formerly known as Sujana Metal Products Ltd.)

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, 2017 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, 2017 for a period of more than six months from the date they became payable except as detailed below:

Particulars	Outstanding > 6 months (Rs. In lakhs)
Provident Fund	12.28
T.D.S.	21.71
Service Tax	30.73
Income Tax (Corporate Dividend Tax)	2.64
Total	67.36

SPLENDID METAL PRODUCTS LIMITED

(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, 2017 on account of dispute are given below:

Disputed Statutory dues as on 31.03.2017			
Name of the Statute	Amount Rs. in Lakhs	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act , 1961	1775.45	2006-2015	Income Tax Appellate Tribunal
Central Excise Act, 1944	2230.57	1997-2013	Commissioner (Appeals) Chennai, Chennai, Hon'ble High Court of Chennai, Hon'ble High Court of Delhi, Hon'ble Supreme Court of India (Dept. Appeals).
Customs Act, 1962	775.79	1999-2012	Commissioner (Customs) Sea Port, Chennai, Hon'ble High Court of Chennai, Commissioner (Appeals), Vizag and Hon'ble Supreme Court of India (Dept. Appeals).
Foreign Exchange Management Act, 1999	400.00	1995-1996	Hon'ble High Court of Delhi
APGST ACT, 1957	438.13	2002-2003	Hon'ble High Court of Delhi
Central Sales Tax Act, 1956	241.34	2006-2007	Sales Tax Appellate Tribunal, Commercial Tax Officer
	42.68	2007-2008	
Tamilnadu Value Added Tax Act, 2006	9891.65	2006-2008	Appellate Dpty. Commissioner, Hon'ble High Court of Andhra Pradesh.
CST (TN)	2383.64	2008-2015	Hon'ble High Court of Tamilnadu and TN Sales Tax Authorities.

There were no dues of duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2017 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 Overdues to Banks/ Financial Institutions as on 31-03-2017

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	4,510,417	332
Bank of India	Principle & Interest on Term Loans	12,522,917	344
Andhra Bank	Principle & Interest on Term Loans	6,323,958	302
Punjab National Bank -4272	Principle & Interest on Term Loans	18,927,083	335
SASF CENNAI (IDBI)			
Principal	Principle & Interest on Term Loans	391,207,682	1399
Interest		230,888,705	1430
SASF HANDUM (IDBI)			
Principal	Principle & Interest on Term Loans	216,214,806	1672
Interest		35,460,891	1795
SASF VIZAG (IDBI)			
Principal	Principle & Interest on Term Loans	206,100,000	1672
Interest		148,809,736	1795
IDBI (Addl TL)			
Principal	Principle & Interest on Term Loans	822,666	364
Interest		406,082	364
Bank of India (Addl TL)			
Principal	Principle & Interest on Term Loans	280,208	334
Interest		315,154	335

Indian Overseas Bank (Addl. TL)			
Principal	Principle & Interest on Term Loans	160,417	366
Interest		176,728	366
Andhra Bank (Addl. TL)			
Principal	Principle & Interest on Term Loans	282,292	244
Interest		308,352	225
PNB (Addl TL)			
Principal	Principle & Interest on Term Loans	422,917	225
Interest		451,297	225
IDBI (FITL 1)			
Principal	Principle & Interest on Term Loans	374,358	302
Interest		571,208	302
Bank of India (FITL 1)			
Principal	Principle & Interest on Term Loans	3,549,274	245
Interest		3,001,358	327
Bank of Baroda (FITL1)			
Principal	Principle & Interest on Term Loans	241,238	327
Interest		340,349	336
Indian Bank (FITL 1)			
Principal	Principle & Interest on Term Loans	333,757	333
Indian Overseas Bank (FITL 1)			
Principal	Principle & Interest on Term Loans	497,263	333
Interest		1,785,093	303
Karnataka Bank Ltd (FITL 1)			
Principal	Principle & Interest on Term Loans	42,200	106
Interest		222,361	167
Andhra Bank Ltd (FITL 1)			
Principal	Principle & Interest on Term Loans	521,584	121
Interest		961,286	151
Punjab National Bank (FITL 1)			
Principal	Principle & Interest on Term Loans	917,472	240
Interest		1,671,884	242
State bank of Patiala (FITL 1)			
Principal	Principle & Interest on Term Loans	548,148	243
Interest		1,419,464	243
Bank of India (FITL 11)			
Principal	Principle & Interest on Term Loans	761,111	310
Interest		206,432	321
Bank of Baroda (FITL 11)			
Principal	Principle & Interest on Term Loans	362,000	270
Interest		308,584	271
Indian Bank (FITL 1)			
Principal	Principle & Interest on Term Loans	255,556	366
Indian Overseas Bank (FITL 11)			
Principal	Principle & Interest on Term Loans	520,000	366
Interest		207,142	366
Karnataka Bank (FITL 11)			
Principal	Principle & Interest on Term Loans	200,000	149
Interest		86,174	149
Punjab Natioanl Bank (FITL 11)			
Principal	Principle & Interest on Term Loans	437,902	242
Interest		468,988	244

SPLENDID METAL PRODUCTS LIMITED

State Bank of Patiala (FITL 11)			
Principal	Principle & Interest on Term Loans	923,333	183
Interest		308,137	213
B) Letter of Credits		Rs. in Lacs	
Bank of Baroda	LC devolvement	1750.39	Apr. 2015 to March 2017
Karnataka Bank	LC devolvement	1877.18	Oct. 2015 to March 2017
Punjab National Bank	LC devolvement	16,839.33	Oct 2015 to March 2017

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: 30-05-2017
Place: Hyderabad

BALANCE SHEET AS AT 31ST MARCH, 2017

Rupees in lakhs

Particulars	Note No	As at 31st March 2017	As at 31 March 2016	As at 31 March 2015
ASSETS				
(1) Non- Current Assets				
(a) Property, Plant and Equipment	2	42,432.32	45,798.97	49,435.05
(b) Capital work - in - progress		10,208.39	10,180.53	8,762.28
(c) Deferred tax Assets (Net)		5,661.67	-	-
(d) Financial Assets				
(i) Investments	3	14,781.40	14,781.40	14,781.40
(ii) Loans	4	1,300.84	1,318.21	1,506.83
(iii) Other non-current assets	5	385.01	900.03	-
		74,769.63	72,979.14	74,485.56
(2) Current Assets				
(a) Inventories	6	25,404.53	35,790.06	29,458.41
(b) Financial Assets				
(i) Investments	7	5.82	4.16	4.69
(ii) Trade receivables	8	148,600.38	156,889.14	170,769.65
(iii) Cash and cash equivalents		21.02	13.42	26.37
(iv) Bank balances other than (iii) above	9	405.27	305.98	2,879.96
(v) Loans	10	40,932.50	38,421.18	32,221.11
(c) Other current assets	11	62.80	114.99	336.73
		215,432.32	231,538.93	235,696.92
TOTAL		290,201.95	304,518.07	310,182.48
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	15,050.54	15,050.54	10,072.54
(b) Other Equity				
(i) Retained Earnings		(33,483.57)	693.68	11,116.83
(ii) Reserves				
(c) Other reserves		47,008.42	47,008.42	47,008.42
		28,575.39	62,752.64	68,197.79
Liabilities				
(1) Non- Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	87,766.29	113,137.73	106,095.23
(b) Provisions	14	253.76	291.00	308.61
(c) Deferred tax liabilities (Net)	15	-	3,403.03	7,075.47
(d) Other non - current liabilities	16	109.53	216.37	197.95
		88,129.58	117,048.13	113,677.26
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	122,383.10	104,476.99	60,103.32
(ii) Trade payables	18	12,406.76	13,166.26	61,991.20
(iii) Other financial liabilities				
(b) Other current liabilities	19	36,612.09	4,982.80	4,005.86
(c) Provisions	20	193.76	176.38	262.86
(d) Current Tax Liabilities (Net)	21	1,901.27	1,914.87	1,944.19
		173,496.98	124,717.30	128,307.43
Total Equity and Liabilities		290,201.95	304,518.07	310,182.48

See accompanying notes forming part of the 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

FRN No: 003329S

T. Raghavendra

Mem. No : 023806

Place : Hyderabad

Date : 30th May 2017

R K Birla

Managing Director

(DIN: 00118776)

Ch. Narayana Rao
Chief Financial Officer

Place : Hyderabad

Date : 30th May 2017

S. Hanumantha Rao

Director

(DIN: 00118801)

Shaik Ibraheem
Company Secretary

SPLENDID METAL PRODUCTS LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

Rupees in lakhs

	Note No	For the year ended 31 March 2017	For the year ended 31 March 2016
I. REVENUE			
Revenue from operations (gross)	22	1,31,986.52	3,52,237.22
II Other income	23	40.40	395.11
III Total revenue		<u>1,32,026.92</u>	<u>3,52,632.33</u>
IV EXPENSES			
Cost of materials	24.a & b	1,26,954.76	3,36,064.55
Change in inventories of finished goods, work in progress and stock- in-trade	24.c	9,460.40	(7,953.86)
Employee benefit expenses	25	1,280.08	1,841.64
Finance costs	26	26,161.36	22,661.43
Depreciation and amortisation expense	2A&2B	3,370.03	3,512.28
Other expenses	27	8,040.15	10,697.45
Total expenses		<u>1,75,266.78</u>	<u>3,66,823.49</u>
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(43,239.86)	(14,191.14)
Exceptional Items		-	-
Profit before tax		(43,239.86)	(14,191.14)
VI TAX EXPENSE:			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Current tax relating to earlier years		-	-
d) Deferred tax relating to earlier years		-	(405.38)
		-	(405.38)
e) Deferred tax for Current Year		(9,064.70)	(3,267.06)
		<u>(9,064.70)</u>	<u>(3,672.44)</u>
VII PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (III-IV)		(34,175.16)	(10,518.70)
VIII Profit/(Loss) from Discontinued operations		-	-
IX Tax expenses of discontinued operations		-	-
X Profit/(Loss) from discontinued operations (after tax (X-XI))		-	-
XI Profit/(Loss) for the period (IX+XII)		(34,175.16)	(10,518.70)
XII OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or Loss		-	117.33
(ii) Income Tax relating to items that will not be reclassified to profit or Loss		-	-
B (i) Items that will not be reclassified to profit or Loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or Loss		-	-
		-	-
Total Comprehensive Income for the period (XIII+XIV)		<u>(34,175.16)</u>	<u>(10,401.37)</u>

Statement of Profit and Loss for the year ended 31st March 2017

Rupees in lakhs

	Note No	For the year ended 31 March 2017	For the year ended 31 March 2016
XIII Earnings per equity share of Rs. 5/- each (for continuing operation):			
Basic Rs.		(11.35)	(4.71)
Diluted Rs.		(11.35)	(4.71)
XIV Earnings per equity share of Rs. 5/- each (for discontinued operation):			
Basic Rs.		(11.35)	(4.71)
Diluted Rs.		(11.35)	(4.71)
XV Earnings per equity share of Rs. 5/- each (for discontinued & Continuing operation):			
Basic Rs.		(11.35)	(4.71)
Diluted Rs.		(11.35)	(4.71)
XVI Earnings per equity share of Rs. 5/- each (Refer Note No. 32)			
Basic Rs.		(11.35)	(4.71)
Diluted Rs.		(11.35)	(4.71)

See accompanying notes forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & AssociatesChartered Accountants
FRN No: 003329S**T. Raghavendra**Mem.No : 023806
Place : Hyderabad
Date : 30th May 2017**R K Birla**Managing Director
(DIN: 00118776)**Ch. Narayana Rao**
Chief Financial OfficerPlace : Hyderabad
Date : 30th May 2017**S. Hanumantha Rao**Director
(DIN: 00118801)**Shaik Ibraheem**
Company Secretary

SPLENDID METAL PRODUCTS LIMITED

Cash flow statement for the Year ended 31 March 2017

Rupees in lakhs

	For the Year ended 31 March 2017	For the Year ended 31 March 2016
Cash flow from operating activities		
Net profit before tax	(43,239.88)	(14,095.61)
Adjustments for:	-	-
Depreciation and amortisation	3,370.03	3,512.28
Loss on sale of fixed assets (net)	8.16	41.92
Net unrealised exchange gain	-	-
Finance costs	26,161.36	22,661.42
Interest income	(62.57)	(218.21)
Loss on sale of current investment	-	-
Adjustments to the carrying amount of current investments	(1.66)	0.53
Operating profit before working capital changes	(13,764.56)	11,902.33
<i>Changes in working capital:</i>	-	-
<i>Adjustments for (increase) / decrease in operating assets:</i>	-	-
Inventories	10,385.53	(6,331.65)
Trade receivables	8,288.76	13,880.51
Long-term loans and advances	17.37	188.62
Short-term loans and advances	(2,511.32)	(6,200.06)
Other current assets	-	-
<i>Other non current assets</i>	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	-	-
Trade payables	(759.51)	(48,824.94)
Other current liabilities	(353.07)	976.92
Other long-term liabilities	(106.83)	18.42
Other Short-term liabilities	17.37	(86.49)
Provision for employee benefits	(37.24)	(17.61)
Cash generated from operations	1,176.50	(34,493.95)
Net income tax paid	(15.31)	(29.34)
Net cash flow from operating activities (A)	1,161.19	(34,523.29)
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(50.72)	(1,597.20)
Receipt of capital advances	-	-
Proceeds from sale of fixed assets	10.95	260.87
(Increase)/decrease in restricted cash	650.29	1,703.21
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	114.76	439.95
Net cash used in investing activities (B)	725.28	806.83

Cash flow statement for the Year ended 31 March 2017

Rupees in lakhs

	For the Year ended 31 March 2017	For the Year ended 31 March 2016
Cash flow from financing activities	-	-
Proceeds from issue of share capital	-	3,609.08
Share premium received / Capital Reserve	-	-
Proceeds from long-term borrowings	6,663.11	8,411.43
Repayment of long-term borrowings	-	-
Increase in short-term borrowings	17,906.11	44,373.68
Dividend paid including tax there on	-	-
Interest and other borrowing costs paid	(26,213.55)	(22,661.42)
Net cash (used in)/from financing activities (C)	(1,644.33)	33,732.77
Net (decrease)/increase in cash and cash equivalents (A + B + C)	242.14	16.31
Cash and cash equivalents at the beginning of the year	184.14	167.83
Exchange difference on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	426.28	184.14
Notes:		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements.		
2. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with banks with an original maturity of three months or less		
3. Reconciliation of Cash and cash equivalents with balance sheet:		
Cash and bank balances as per balance sheet		
Less: Balances in earmarked accounts	426.28	1,219.44
- balance held as margin monies	-	1,035.30
Net cash and cash equivalents at the end of the year	426.28	184.14
See accompanying notes forming part of the financial statements		

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & AssociatesChartered Accountants
FRN No: 003329S**T. Raghavendra**
Mem.No : 023806Place : Hyderabad
Date : 30th May 2017**R K Birla**Managing Director
(DIN: 00118776)**Ch. Narayana Rao**
Chief Financial OfficerPlace : Hyderabad
Date : 30th May 2017**S. Hanumantha Rao**Director
(DIN: 00118801)**Shaikh Ibraheem**
Company Secretary

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

“Splendid 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 changed its name as Sujana Metal Products Limited w.e.f. 09 November 2001. The Company further changed its name as “SPLENDID METAL PRODUCTS LIMITED” w.e.f. 16th November 2016. 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 Statement of Compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in meeting held on 30 May 2017.

For all periods up to and including the year ended 31 March 2016, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2015. Refer note 2(XX) below for the details of first-time adoption exemptions availed by the Company.

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2013 and the relevant provisions of the Companies Act, 1956.

b Use of Estimates

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Revenue from sale of by-products are included in revenue.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d Foreign Currency Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period.

e Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

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

- i. Provision for gratuity, leave encashment/availment and long service benefits i.e. service award, compassionate gratuity and employees' family benefit scheme is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- ii. Provision for post-retirement medical benefit is made on defined contribution basis.
- iii. Provident fund contribution is made to Provident Fund Trust on accrual basis.
- iv. Payment of Ex-gratia and Notice pay on Voluntary Retirement are charged to revenue in the year incurred.
- v. Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

h Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

However the Company is in Losses. So, there is no current tax for the current Financial Year

Investments

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss

Property, plant and equipment

The cost of property, plant and equipment 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, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and over haul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2015, measured as per the previous GAAP and used that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act,

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2013 except in respect of following categories of assets located in India, 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 40years
Work-rolls	1 year

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

k. Earnings per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

i. Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cashflows by considering all contractual terms of the financial

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

m. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Liabilities are disclosed in the General Notes forming part of the accounts

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

n. Leases

Assets held under lease, in which a significant portion of the risks and rewards of ownership are transferred to lessee are classified as finance leases. Other leases are classified as operating leases. The company normally enters into operating leases which are accounted for as under:-

- (i) Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.
- (ii) Where the company is a lessee, operating lease payments are recognized as an expense on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 2 Property, Plant and Equipment

PARTICULARS	Free hold Land	Buildings	Plant & machinery	Electrical Installation	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Good Will	Total
Cost/Deemed cost at 1 April 2015	2,207.44	5,143.38	67,648.51	2,942.39	89.45	177.65	678.81	964.23	28.68	79,880.54
Additions	-	105.02	91.06	0.20	-	1.79	0.68	-	-	198.75
Deductions	-	221.87	144.71	-	0.18	0.88	54.38	-	-	422.02
At 31 March 2016	2,207.44	5,026.53	67,594.86	2,942.59	89.27	178.56	625.11	964.23	28.68	79,657.27
Additions	-	-	18.72	-	-	3.74	-	-	-	22.46
Deductions	-	-	-	-	-	-	37.46	-	-	37.46
At 31 March 2017	2,207.44	5,026.53	67,613.58	2,942.59	89.27	182.30	587.65	964.23	28.68	79,642.27
Accumulated Depreciation at 1 April 2015	-	1,159.91	26,570.22	1,126.76	65.66	142.09	415.65	936.51	28.68	30,445.48
Depreciation Expense	-	164.30	2,873.93	375.58	4.54	14.04	53.57	26.30	-	3,512.26
Deductions	-	0.20	62.00	-	0.03	0.25	36.99	-	-	99.47
At 31 March 2016	-	1,324.01	29,382.15	1,502.34	70.17	155.88	432.23	962.81	28.68	33,858.27
Depreciation Expense	-	167.27	2,766.65	373.74	4.40	7.16	50.02	0.79	-	3,370.03
Deductions	-	-	-	-	-	-	18.35	-	-	18.35
At 31 March 2017	-	1,491.28	32,148.80	1,876.08	74.57	163.04	463.90	963.60	28.68	37,209.95
Carrying value at 31 March 2017	2,207.44	3,535.25	35,464.78	1,066.51	14.70	19.26	123.75	0.63	-	42,432.32
at 31 March 2016	2,207.44	3,702.52	38,212.71	1,440.25	19.10	22.68	192.88	1.42	-	45,799.00
at 31 March 2015	2,207.44	3,989.47	41,078.29	1,815.63	23.79	35.56	263.16	27.72	-	49,435.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 3: Non-current investments			
(At cost unless otherwise stated)			
Trade			
Investment in equity instruments in subsidiaries			
Alpha Ventures Limited	2,320.71	2,320.71	2,320.71
5,010,000 (31.03.2016:10,000) Shares of USD 1.00 each fully paid up			
Glade Steel Private Limited	674.51	674.51	674.51
674,514 (31.03.2016:674,514) Equity Shares of Rs. 100 each fully paid up			
Asian tide Enterprises Limited	11,786.18	11,786.18	11,786.18
202,269,600 (31.03.2016:194,274,600) Shares of HK\$ 1.00 each fully paid up			
	14,781.40	14,781.40	14,781.40
Note 4 : Non -Current Loans			
i) (Unsecured and considered good)			
a) Security deposits	202.16	210.20	155.69
b) MAT credit entitlement	290.66	290.66	290.66
c) Deposits with government authorities	808.02	817.35	1,060.48
(A)	1,300.84	1,318.21	1,506.83
ii) Doubtful			
a) Security deposits	2.90	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02	349.02
	351.92	351.92	351.92
Less: Provision for doubtful advances	351.92	351.92	351.92
(B)	-	-	-
(A+B)	1,300.84	1,318.21	1,506.83
Note 5: Other Non-current Assets			
Deposits with bank - maturity due beyond 12 months	385.01	900.03	-
	385.01	900.03	-
Note 6: Inventories (At lower of cost and net realisable value)			
Raw materials	680.68	1,586.84	3,013.36
Finished goods	23,750.77	33,211.17	25,257.31
Stores and spares	973.08	992.05	1,187.74
	25,404.53	35,790.06	29,458.41
Note 7: Current investments			
(At lower of cost and fair value)			
Investment in mutual funds (Quoted)			
SBI - PSU fund dividend	5.00	5.00	5.00
50,000 (31.03.2016:'50,000' units purchased during the previous period)	-	-	-
Add: provision for Accretion/(diminution) in the value of investment	0.82	(0.84)	(0.31)
	5.82	4.16	4.69
Aggregate amount of quoted investments	5.00	5.00	5.00
Aggregate provision for Accretion/(diminution) in the value of current investments	0.82	(0.84)	(0.31)

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 8: Trade receivables (Unsecured)			
Trade receivables outstanding			
Considered Good	148,600.38	156,889.14	1,70,769.65
Considered Doubtful	301.53	663.04	691.30
	<u>148,901.91</u>	<u>157,552.18</u>	<u>1,71,460.95</u>
Less: Provision for doubtful trade receivables	301.53	663.04	691.30
	<u>148,600.38</u>	<u>156,889.14</u>	<u>1,70,769.65</u>
Note 9: Bank balances other than Cash			
Balances with Banks:			
In current accounts	405.27	170.72	141.46
Other bank balances			
Balance held as margin monies	-	135.26	2,738.50
	<u>405.27</u>	<u>305.98</u>	<u>2,879.96</u>
Note 10: Current asset - Loans			
I) (Unsecured and considered good unless otherwise stated)			
Loans and advances to Subsidiaries	2,051.71	2,051.71	2,051.71
Security deposits	78.21	31.01	21.75
Loans and advances to employees	23.18	15.65	31.10
Prepaid expenses	5.81	28.18	10.62
Balances with government authorities			
CENVAT credit receivable	469.60	491.90	1,466.64
VAT credit receivable	56.39	1.24	92.54
Advances for supply of goods and rendering of services	37,393.16	35,099.91	27,732.60
Others	854.44	701.58	814.15
	<u>40,932.50</u>	<u>38,421.18</u>	<u>32,221.11</u>
Note 11: Other current assets			
Interest accrued but not due on deposits	62.80	114.99	336.73
	<u>62.80</u>	<u>114.99</u>	<u>336.73</u>
Note 12: A. EQUITY SHARE CAPITAL			
Authorised			
i) 310,000,000 (31.03.2016:310,000,000) Equity Shares of Rs. 5 each	15,500.00	15,500.00	15,500.00
ii) 4,500,000 (31.03.2016:4,500,000) Preference Shares of Rs. 100 each	4,500.00	4,500.00	4,500.00
Issued, subscribed and fully paid up			
ii) 301,010,881 (31.03.2016:301,010,881) Equity Shares of Rs. 5 each	15,050.54	15,050.54	10,072.54
	<u>15,050.54</u>	<u>15,050.54</u>	<u>10,072.54</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

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 2017		Year ended 31 March 2016		Year ended 31 March 2015	
	Number	Amount	Number	Amount	Number	Amount
a) Equity (including shares represented by underlying GDRs)						
Shares outstanding at the beginning of the year/period	30,10,10,881	15,050.54	20,14,50,881	10,072.54	1963,50,881	9,817.54
Shares issued during the year/period	-	-	9,95,60,000	4,978.00	51,00,000	255.00
Shares bought back during the year/ period	-	-	-	-	-	-
Shares outstanding at the end of the year/ period	30,10,10,881	15,050.54	30,10,10,881	15,050.54	2014,50,881	10,072.54

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

Name of Shareholder	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% held	No. of Shares held	% held	No. of Shares held	% held
a) Equity shares of Rs. 5 each fully paid						
Yalamanchilli Finance & Trading Pvt Ltd	13,14,26,585	43.66	13,14,26,585	43.66	267,66,585	13.29
Foster Infin and Trading Pvt Limited	2,50,00,000	8.31	2,50,00,000	8.31	250,00,000	12.41
Stressed Assets Stabilisation Fund	1,27,59,682	4.24	1,27,59,682	4.24	127,59,682	6.33
Sujana Holdings Limited	1,00,00,000	3.32	1,00,00,000	3.32	100,00,000	4.96
b) The company has only one class of equity shares having a par value of Rs.5/- . Each equity shareholder is entitled to one vote per share held .						

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. OTHER EQUITY

	Balance at	Changes in Accounting Policy / Prior Period Errors	Restated Balance at March 31, 2016	Total Comprehensive Income	Dividends	Transfer to Retained Earnings	Any Other Change	Balance at
	March 31, 2016							March 31, 2017
(i) Equity Components of Other Financial Instruments	-	-	-	-	-	-	-	-
(ii) Retained Earnings	693.67	2.07	691.60	(34,175.18)	-	-	-	(33,483.57)
(iii) Reserves	-	-	-	-	-	-	-	-
a. Reserves representing unrealised gains / losses	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
b. Other reserves	-	-	-	-	-	-	-	-
Capital reserve	9,880.43	-	9,880.43	-	-	-	-	9,880.43
Capital redemption reserve	1,493.37	-	1,493.37	-	-	-	-	1,493.37
Securities premium reserve	34,935.98	-	34,935.98	-	-	-	-	34,935.98
General reserve	698.64	-	698.64	-	-	-	-	698.64
(iv) Money received against share warrants	-	-	-	-	-	-	-	-
(v) Others	-	-	-	-	-	-	-	-

	Balance at	Changes in Accounting Policy / Prior Period Errors	Restated Balance at March 31, 2015	Total Comprehensive Income	Dividends	Transfer to Retained Earnings	Any Other Change	Balance at
	March 31, 2015							March 31, 2016
(i) Equity Components of Other Financial Instruments	-	-	-	-	-	-	-	-
(ii) Retained Earnings	11,116.64	21.80	11,095.04	(10,401.37)	-	-	-	693.67
(iii) Reserves	-	-	-	-	-	-	-	-
a. Reserves representing unrealised gains / losses	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-
Capital reserve	9,880.43	-	9,880.43	-	-	-	-	9,880.43
Capital redemption reserve	1,493.37	-	1,493.37	-	-	-	-	1,493.37
Securities premium reserve	34,935.98	-	34,935.98	-	-	-	-	34,935.98
General reserve	698.64	-	698.64	-	-	-	-	698.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 13: Non Current borrowings (Refer note No. 42)			
Secured			
Cumulative redeemable preference shares	-	124.45	1,493.37
a) Term loans from			
i) Banks	28,162.47	37,946.69	29,998.21
ii) Financial institutions	-	11,672.65	11,060.01
b) Funding of Intrest on Term Loan			
i) FITL - I	10,369.66	13,980.20	14,264.17
ii) FITL -II	1,269.12	1,899.39	2,036.73
iii) W C T L	47,960.94	47,512.60	47,236.89
c) Vehicle loans from			
i) Banks	4.10	1.75	5.85
ii) Others	-	-	-
	87,766.29	113,137.73	1,06,095.23

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 chare 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 promoter. Loan from SASF are secured by 1st charge on Unit at Sanivada Village, Rajeevnagar, Visakhapatnam - 530 046, Andra 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. 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 60months.

Note 14: Non Current provisions

Provision for Employee benefits	253.76	291.00	308.61
	253.76	291.00	308.61

Note 15: Deferred tax liabilities/(Assets-net)

Deferred tax liability:

On difference between book balance and tax balance of fixed assets	11,644.07	7,113.72	7,564.37
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Deferred tax asset:

Provision for employee benefits	138.67	143.61	151.38
Provision for doubtful trade receivables, loans and advances	201.92	313.62	337.52
Other Business Loss	5,641.81	3,253.46	-
	5,982.40	3,710.69	488.90

Deferred tax liabilities/(Assets-net)

	(5,661.67)	3,403.03	7,075.47
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SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 16: Other Non-Current liabilities			
Security Deposits	85.21	190.46	170.46
Govt Grands - Differed Receivable	24.32	25.91	27.49
	109.53	216.37	197.95
Note 17: Current Borrowings			
Loans repayable on demand			
From Banks (Refer Note No. 42)			
Secured	122,313.10	104,401.99	54,996.50
From Others			
Unsecured	70.00	75.00	5,106.82
	122,383.10	104,476.99	60,103.32
i) Loans repayable on demand includes an amount of Rs. 122,313.10 lakhs (31.03.2016:Rs.104,401.99 lakhs) represents working capital loans from banks are inter alia secured by 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 of promoter director.			
ii) Rs. 70.00 lakhs has been brought from others.			
Note 18: Trade payables			
Acceptances	-	-	37,275.63
Other than acceptances	12,406.76	13,166.26	24,715.57
	12,406.76	13,166.26	61,991.20
Note 19: Other current liabilities			
Current maturities of long-term debt (Refer Note No.42)	32,037.68	8.14	-
Other payables	892.56	963.38	893.93
Statutory remittances	657.84	190.23	241.45
CRPS Payable	1,493.37	1,368.92	-
Payables on purchase of fixed assets	2.16	28.46	13.45
Advances from customers	1,528.48	2,423.67	2,857.03
	36,612.09	4,982.80	4,005.86
Note 20: Current provisions			
Provision for employee benefits	191.12	173.74	157.95
Provision for proposed dividend on CRPS	-	-	99.74
Provision for tax on proposed dividend	2.64	2.64	5.17
	193.76	176.38	262.86
Note 21: Current tax provisions			
Provision for current income tax	1,901.27	1,914.87	1,944.19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2017	As at 31 March 2016
Note 22: Revenue from operations		
a) Sale of products		
i) Manufactured	18,081.37	35,527.74
ii) Traded & Processed Goods	1,11,615.25	3,15,577.93
iii) Exports	-	-
b) Other operating revenues		
Conversion income	2,280.89	1,122.55
Rental income from operating leases	9.00	9.00
Total	<u>1,31,986.52</u>	<u>3,52,237.22</u>

Particulars of sale of products	Year ended 31 March 2017		Year ended 31 March 2016	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
A Manufactured goods				
TMT Bars	15,775	5,398.46	51,945	18,027.20
MS Channels	2,266	793.48	5,167	1,778.52
MS Beams	7,867	2,753.82	14,054	4,779.28
Others	46,925	9,135.61	62,631	10,942.74
Total	<u>72,833</u>	<u>18,081.37</u>	<u>1,33,797</u>	<u>35,527.74</u>
B Traded goods				
TMT Bars	2,76,151	95,977.26	6,56,392	2,65,922.82
MS Scrap	279	62.09	7,926	1,414.16
Others	15,561	15,575.91	42,813	48,240.95
Total	<u>2,91,991</u>	<u>1,11,615.26</u>	<u>7,07,131</u>	<u>3,15,577.93</u>

	Year Ended 31 March 2017	Year Ended 31 March 2016
Note 23: Other Income		
a) Interest on deposit with banks and others	62.57	218.21
b) Liabilities/Provisions no longer required written back	25.86	36.31
c) Miscellaneous income	8.16	11.53
d) Increase/(decrease) of excise duty on inventory	(56.19)	129.06
	<u>40.40</u>	<u>395.11</u>

Note 24a. Cost of materials		
Opening Stock	1,586.84	3,013.36
Add : Purchases	1,26,048.61	3,34,638.03
	<u>1,27,635.45</u>	<u>3,37,651.39</u>
Less : Closing stock	680.69	1,586.84
	<u>1,26,954.76</u>	<u>3,36,064.55</u>
Less : Transfer to capital work in progress	-	-
	<u>1,26,954.76</u>	<u>3,36,064.55</u>

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

Note 24.a. Details of raw materials consumed

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
Pig/Sponge Iron/Scrap	64,590	4,013.28	82,843	4,136.62
Billets / Blooms	39,850	9,647.99	70,351	15,828.95
MS Products	986	200.76	41,658	10,360.24
TMT Bars	352.59	112.11	6,793	2,043.75
Total	1,05,779	13,974.14	2,01,645	32,369.56
Less: Transferred to capital work in progress	-	-	-	-
Total	1,05,779	13,974.14	2,01,645	32,369.56

Note 24.b: Details of Purchase of traded goods

TMT Bars	2,63,996	91,783.42	6,68,388	2,51,364.48
MS Rebars	10,223	18,317.41	27,952	45,893.27
Others	9,332	2,172.22	18,303	5,353.10
M S Scrap	5,494	707.57	6,213	1,084.14
Total	2,89,045	1,12,980.62	7,20,856	3,03,694.99

	Year Ended 31 March 2017	Year Ended 31 March 2016
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	33,211.17	25,257.31
Work in progress	-	-
Stock in trade	-	-
	33,211.17	25,257.31
Inventories at the end of the year:		
Finished goods	23,750.77	33,211.17
Work in progress	-	-
Stock in trade	-	-
	23,750.77	33,211.17
Net (increase) / decrease	9,460.40	(7,953.86)
Note 25: Employee benefit expenses		
Salaries, wages and bonus	1,163.76	1,675.24
Contribution to provident and other funds	88.82	122.16
Staff welfare expenses	27.50	44.24
	1,280.08	1,841.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2017	Year Ended 31 March 2016
Note 26: Finance costs		
Interest expense on Borrowings	25,548.94	22,322.65
Other borrowing costs	612.42	338.78
	26,161.36	22,661.43
Note 27: Other expenses		
Consumption of stores, spares and consumables	625.10	976.29
Excise duty on sale of goods	2,005.64	3,930.46
Power and fuel	3,671.95	4,468.40
Other manufacturing expenses	85.20	183.36
Equipment hire charges	26.90	25.93
Job work charges	371.66	372.45
Rent includes lease rentals	69.32	117.44
Repairs and Maintenance-Buildings	2.30	0.97
Repairs and Maintenance-Machinery	36.58	53.86
Repairs and Maintenance-Others	18.53	26.91
Insurance	33.43	22.38
Rates and taxes	202.13	86.52
Factory maintenance	16.99	29.61
Printing and stationery	12.06	18.41
Communication	29.56	34.68
Travelling and conveyance	113.65	196.98
Legal and professional	124.01	188.92
Payments to auditors (Refer Note (i) below)	25.00	33.19
Security Charges	98.15	107.46
Donations	0.70	10.16
Adjustments to carrying amount of current investments	(1.66)	0.53
Sales commission	5.02	41.83
Sales discount	38.33	71.39
Net gain on foreign currency transactions and translations	179.16	(783.75)
Business promotion	8.17	19.06
Freight outwards	176.53	328.38
Directors' fees	2.11	3.90
Miscellaneous expenses	55.47	89.81
Loss on sale of fixed assets	8.16	41.92
	8,040.15	10,697.45
Note (i): Payments to the auditors		
As auditors -statutory audit	25.00	33.19
Other Services	-	-
Total	25.00	33.19

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Financial Instruments - Fair Values and Risk Management

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As of March 31, 2017

(Rupees in lakhs)

Particulars	Cost	Financial assets/ Liabilities at FVTPL	Financial assets/Liabilities at FVTOCI	Total Carrying Cost	Total Fair Value
Assets :					
Investments in Equity Instruments	14,781.40	-	-	14,781.40	14,781.40
Cash & Cash Equivalents	426.29	-	-	426.29	426.29
Trade Receivables	148,600.38	-	-	148,600.38	148,600.38
Loans & advances	42,233.34	-	-	42,233.34	42,233.34
Liabilities :					
Trade Payable	12,406.76	-	-	12,406.76	12,406.76
Borrowing s	210,149.39	-	-	210,149.39	210,149.39
Other Financial Liabilities	36,721.62	-	-	36,721.62	36,721.62

As of March 31, 2016

(Rupees in lakhs)

Particulars	Cost	Financial assets/ Liabilities at FVTPL	Financial assets/Liabilities at FVTOCI	Total Carrying Cost	Total Fair Value
Assets :					
Investments in Equity Instruments	14,781.40	-	-	14,781.40	14,781.40
Cash & Cash Equivalents	319.40	-	-	319.40	319.40
Trade Receivables	156,889.14	-	-	156,889.14	156,889.14
Loans & advances	39,739.39	-	-	39,739.39	39,739.39
Liabilities :					
Trade Payable	13,166.26	-	-	13,166.26	13,166.26
Borrowing s	217,614.72	-	-	217,614.72	217,614.72
Other Financial Liabilities	5,199.17	-	-	5,199.17	5,199.17

As of March 31, 2015

(Rupees in lakhs)

Particulars	Cost	Financial assets/ Liabilities at FVTPL	Financial assets/Liabilities at FVTOCI	Total Carrying Cost	Total Fair Value
Assets :					
Investments in Equity Instruments	14,781.40	-	-	14,781.40	14,781.40
Cash & Cash Equivalents	2,906.33	-	-	2,906.33	2,906.33
Trade Receivables	170,769.65	-	-	170,769.65	170,769.65
Loans & advances	33,727.94	-	-	33,727.94	33,727.94
Liabilities :					
Trade Payable	61,991.20	-	-	61,991.20	61,991.20
Borrowing s	166,198.55	-	-	166,198.55	166,198.55
Other Financial Liabilities	4,203.81	-	-	4,203.81	4,203.81

Financial risk management

The company's activities expose it to the following financial risks:

- market risk
- credit risk and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- liquidity risk

The company has not arranged funds that have any interest rate risk.

a) Market risk

A comprehensive financial and commodity riskmanagement program supports the achievement of anorganisation's objectives by enabling the identificationand evaluation of risks, setting acceptable risk thresholds,identifying and mapping controls against these risks andimplementing policies and procedures to manage andmonitor the risks.

b) Credit risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables

The company has outstanding trade receivables amounting to Rs 128908.20 lakhs and Rs134634.04 lakhs as of March 31, 2017 and March 31, 2016, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of IndAS 109. The company's historical experience for customers, present economic condition and present performance of the customers, future outlook for the industry etc are taken into account for the purposes of expected credit loss.

Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

As of March 31, 2017				(Rupees in lakhs)
Particulars	Gross Amount	Impairment	Carrying Value	
Not Past Due				
Past due less than 30days	3,844.77	-	3,844.77	
past due more than 30days but not more than 60days	8,399.14	-	8,399.14	
past due more than 60days but not more than 90days	777.53	-	777.53	
past due more than 90days but not more than 120days	502.02	-	502.02	
Past due more than 120days	135,076.92	-	135,076.92	
Total	148,600.38	-	148,600.38	
As of March 31, 2016				(Rupees in lakhs)
Particulars	Gross Amount	Impairment	Carrying Value	
Not Past Due				
Past due less than 30days	57,974.12	-	57,974.12	
past due more than 30days but not more than 60days	5,972.10	-	5,972.10	
past due more than 60days but not more than 90days	14,858.25	-	14,858.25	
past due more than 90days but not more than 120days	11,232.42	-	11,232.42	
Past due more than 120days	66,852.25	-	66,852.25	
Total	156,889.14	-	156,889.14	
As of March 31, 2015				(Rupees in lakhs)
Particulars	Gross Amount	Impairment	Carrying Value	
Not Past Due				
Past due less than 30days	37057	-	37,057.21	
past due more than 30days but not more than 60days	30897	-	30,896.54	
past due more than 60days but not more than 90days	15828	-	15,827.84	
past due more than 90days but not more than 120days	29404	-	29,403.66	
Past due more than 120days	57584	-	57,584.40	
Total	170,769.65	-	170,769.65	

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade receivables are generally considered credit impaired after three years past due (except government dues), unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

With regard to trade receivable on certain transactions, the company has equivalent trade payables to associate suppliers which are payable on realization of trade receivables. Such trade receivables are considered not impaired though past due.

Other financial assets

There are no impairment provisions as at each reporting date against financial assets. We consider all the financial assets as at the reporting dates to be of good credit quality.

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Due to the dynamic nature of underlying businesses, the company maintains flexibility in funding by maintaining availability under committed credit lines.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. The company maintains sufficient balance in cash and cash equivalents to meet short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

As of March 31, 2017						(Rupees in lakhs)
Particulars	Less than 6months	6 Months to 1 Year	1-3 Years	3-5 Years	Morethan 5 Years	
Trade Payables	527.91	4,844.18	4,048.11	2,380.89	605.67	
Short Term Borrowings	25,513.01	96,870.09	-	-	-	
Long term Borrowings	-	-	51,359.44	36,406.85	-	
Other Financial Liabilities	16,018.84	20,593.25	-	-	-	
Total :	42,059.75	122,307.53	55,407.56	38,787.74	605.67	
As of March 31, 2016						(Rupees in lakhs)
Particulars	Less than 6months	6 Months to 1 Year	1-3 Years	3-5 Years	Morethan 5 Years	
Trade Payables	4,287.25	2,916.82	5,569.04	349.65	43.50	
Short Term Borrowings	21,757.16	82,719.83	-	-	-	
Long term Borrowings	-	-	43,721.63	69,416.10	-	
Other Financial Liabilities	4,982.80	-	-	-	-	
Total :	31,027.20	85,636.65	49,290.67	69,765.75	43.50	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As of March 31, 2015					(Rupees in lakhs)
Particulars	Less than 6months	6 Months to 1 Year	1-3 Years	3-5 Years	Morethan 5 Years
Trade Payables	29,996.66	890.70	3,504.14	956.32	26,643.34
Short Term Borrowings	-	60,103.32	-	-	-
Long term Borrowings	-	-	40,029.02	66,066.21	-
Other Financial Liabilities	4,005.86	-	-	-	-
Total :	34,002.52	60,994.02	43,533.16	67,022.53	26,643.34

29 Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:-

Particulars	SBNs	Other denominations notes	Total
Closing cash in hand as on 08-11-2016	3,013,500	4,499,528	7,513,028
(+) Permitted receipts	1,228,000	1,645,910	2,873,910
(-) Permitted payment	1,912,000	1,889,491	3,801,491
(-) Amount deposited in Banks	2,329,500	199,581	2,529,081
Closing cash in hand as on 30-12-2016	-	4,056,366	4,056,366

Explanation : For the purposes of this clause, the term 'Specified Bank Notes'(SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

30 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.55.09 lakhs (31.03.2016: Rs.63.18 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, 2017 is Rs.210.96 lakhs (31-3-2016: Rs.207.60 lakhs) of which Rs.1.45 lakhs (31.3.2016: 13.47lakhs) is funded with the Life nsurance Corporation of India. The balance of Rs.283.35 lakhs (31-3-2016: Rs.194.13 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.

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount to be recognised in balance sheet

(Rupees in lakhs)

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	210.97	68.61	279.58
	207.60	73.68	281.28
Fair value of plan assets	(1.45)	-	(1.45)
	(12.12)	-	(12.12)
Net liability	209.52	68.61	278.13
	195.48	73.68	269.16

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.

Expenses to be recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	28.18	(5.08)	23.1
	28.30	-81.48	-53.18
Interest Cost	16.19	5.75	21.94
	24.42	12.1	36.52
Expected return on plan assets	(0.02)	-	(0.02)
	(0.23)	-	(0.23)
Actuarial (Gains)/Losses	(21.77)	4.87	(16.90)
	(116.66)	(0.67)	(117.33)
Total included in employee benefit expense	22.58	5.54	28.12
	(64.17)	-70.05	-134.22
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	207.59	73.69	281.28
	313.12	155.17	468.29
Current Service Cost	28.18	(5.08)	23.10
	28.30	(81.48)	(53.18)
Interest Cost	16.19	5.75	21.94
	24.42	12.10	36.52
Actuarial (Gains)/Losses	(21.77)	4.87	(16.90)
	(116.66)	(0.67)	(117.33)
Benefits Paid	(19.22)	(10.62)	(29.84)
	(41.58)	(11.44)	(53.02)
Closing defined benefit obligation	210.97	68.61	279.58
	207.60	73.68	281.28
Opening fair value of plan assets	11.40	-	11.40
	2.11	-	2.11
Expected return on plan assets	0.02	-	0.02
	0.23	-	0.23
Contributions by employer	7.72	-	7.72
	44.99	-	44.99

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Benefits Paid	(17.69)	-	(17.69)
	(35.21)	-	(35.21)
Closing Fair Value of Plan Assets	1.45	-	1.45
	12.12	-	12.12
Assumptions			
Interest / Discount Rate			7.37%
			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.

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	2016-17	2015-16	2014-15	2013-14	2012-13
Gratuity					
Present value of defined benefit obligation	210.97	207.60	313.11	298.87	248.20
Fair value of plan assets	1.45	13.47	2.65	13.90	5.02
Status [Surplus / (Deficit)]	(209.52)	(194.13)	(310.46)	(284.97)	(243.18)
Compensated Absences					
Present value of defined benefit obligation	68.61	73.68	155.17	137.10	107.66
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(68.61)	(73.68)	(155.17)	(137.10)	(107.66)

31 **Related Party Disclosure**

The following are related parties as defined in "Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures" notified under The Companies (Accounting Standards) Rules, 2013.

List of Related Parties1. **Subsidiaries****Subsidiaries held directly**

	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%

Subsidiaries held indirectly

i. Optimix Enterprises Limited	Mauritius	100%
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SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Key Management Personnel

i.	Mr. R. K. Birla	Managing Director
ii.	Mr. Ch. Narayana Rao	Chief Financial Officer
iii.	Mr. Shaik Ibraheem	Company Secretary

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 (Tuticorin) Limited		√
8	Sujana Projects Limited	√	√
9	Neueon Towers Limited	√	√
10	Lakshmi Gayatri Industries pvt ltd	√	√
11	Yalamanchili Finance and Trading Private Limited	√	
12	Sujana Pumps & Motors Pvt. Ltd		

Note: Related parties have been identified by the management.

(Rupees in lakhs)

Related Party Transactions:				
Particulars	Subsidiaries		On Account of Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16
A). Sales				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	1,222.95	10,179.17
Neueon Towers Ltd.	-	-	354.98	687.47
SUB-TOTAL	-	-	1,577.93	10,866.64
B). Purchases				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	3,273.83	4,276.04
Neueon Towers Ltd.	-	-	517.27	675.50
SUB-TOTAL	-	-	3,791.10	4,951.54
C). Investments made during the year/period				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	-	-	-
SUB-TOTAL	-	-	-	-
D). Advances given/(refunded) during the year				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	-	-	-
SUB-TOTAL	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

E). Advances received during the year				
Yalamanchili Finance and Trading Private Limited	-	-	-	-
SUB-TOTAL	-	-	-	-
F) Other Income				
Sujana Universal Industries Ltd	-	-	9.00	9.00
SUB-TOTAL	-	-	9.00	9.00
G). Other Expenses				
Laxmi Gayatri Industries Ltd.	-	-	9.00	-
Glade Steel Private Limited	9.00	9.00	-	-
SUB-TOTAL	9.00	9.00	9.00	-
H) Remuneration				
Mr. R.K.Birla - Managing Director	-	-	-	90.27
Mr. Hanumantha Rao - Director Finance	-	-	-	10.35
Mr. Mr. Ch. Narayana Rao - Chief Financial Officer	-	-	30.00	30.00
Mr. Shaik Ibraheem - Company Secretary	-	-	12.38	12.38
SUB-TOTAL	-	-	42.38	143.00

32 Disclosure in respect of Indian Accounting standard (Ind AS) 17 “Leases”

a) Operating leases: The company have Operating lease arrangement during the period.

(Rupees in lakhs)

Particulars	Glade steel		Lakshmi Gayathri		Sri Ganga	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
With in One Year	9.00	9.00	9.00	9.00	9.00	9.00
Latter than one year and not later than five years	-	-	-	-	-	-
Later than Five Years	-	-	-	-	-	-
Total	9.00	9.00	9.00	9.00	9.00	9.00

33 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share(EPS)”

(Rupees in lakhs)

Particulars	2016-17	2015-16
Profit After Tax	(34,175.16)	(10,423.17)
Less: Preference Dividend including tax thereon	-	-
Profit attributable to ordinary share holders	(34,175.16)	(10,423.17)
Profit attributable to ordinary share holders- for diluted EPS	(34,175.16)	(10,423.17)
Weighted average number of ordinary shares used in computing Basic Earnings per Share	3,010	22,10,90,033
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.	3,010	22,10,90,033
Earnings per share - Face Value: Rs. 5/- each		
Basic - Rs.	(1135346.40)	(4.71)
Diluted - Rs.	(1135346.40)	(4.71)

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34 Contingent liabilities and commitments (to the extent not provided for) (Rupees in lakhs)

Particulars		As at 31 March 2017	As at 31 March 2016
a)	Contingent liabilities		
i)	Claims against the Company not acknowledged as debts in respect of:		
	Excise Duty	1900.71	2413.00
	Custom Duty	775.79	727.64
	TNVAT/APGST/CST	12997.44	12997.44
	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	81410.00	81410.00
	Corporate guarantee furnished on behalf of Optimix Enterprises Limited (USD 75 lakhs)	4087.50	4087.50
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
<i>*Against which bank guarantee of Rs. 215 lakhs has been issued.</i>			

35 Derivative Instruments

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

Particulars	2016-17		2015-16	
	Rs.	USD	Rs.	USD
For import of goods and services	-	-	-	-
From export of goods and services	15,848.28	244.53	13,658.10	206.39

36 CIF Value of Imports

(Rupees in lakhs)

Particulars	2016-17	2015-16
Raw Materials including stock in trade	-	-
Capital Goods	-	-
Others	-	-
Total	-	-

37. Details of consumption of imported and indigenous items

Particulars	2016-17		2015-16	
	%	VALUE (Rs.in lakhs)	%	VALUE (Rs.in lakhs)
Raw Material				
Imported	0%	-	0%	-
Indigenous	100%	1,26,954.76	100%	3,36,064.55
	100%	1,26,954.76	100%	3,36,064.55
Stores and Spares (Indigenous)	100%	625.10	100%	976.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**38 Expenditure in Foreign Currency (on accrual basis)**

(Rupees in lakhs)

Particulars	2016-17	2015-16
Travelling	0.28	0.72
Professional and Consultancy	-	-
Total	0.28	0.72

39 Earnings in Foreign Exchange

(Rupees in lakhs)

Particulars	2016-17	2015-16
FOB Value of Exports	-	-
Others	-	-
Total	-	-

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

Trade payables (Ref: Note No.18 -Trade payables include Rs.Nil (31.03.2016: 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.

41 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	2,051.71	2,051.71
		2,051.71	2,051.71
Asian Tide Enterprises Limited	Subsidiary	-	-
		-	-
Optimix Enterprises Ltd.	Subsidiary	-	-
		-	-
Glade Steel Pvt. Ltd.	Subsidiary	-	-
		-	-

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

42. Details of Loans as on 31.03.2017 as Follows:

i) Balances as on 31.03.2017

(Rupees in lakhs)

Bank name	Old Term Loan	New Term Loan	FITL - I	FITL - II	WCTL	Cash Credit	LC Devolvement	Total
Andhra Bank	5,760.23	699.75	1,130.23					7,590.21
Bank of Baroda			401.47	131.95	2,095.59	5,474.45	2,330.58	10,434.05
Bank of India	6,440.74	650.97	3,833.06	273.00	12,431.68	25,261.53		48,890.98
IDBI Bank	2,843.28	334.78	612.60					3,790.65
Indian Bank			272.93	209.91	4,133.02	2,933.70		7,549.56
Indian Overseas Bank	4,580.64	292.61	2,683.75	282.81	8,744.41	12,372.25		28,956.48

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Karnataka Bank	195.83		207.50	65.45	1,623.60	1,947.04	2,312.45	6,351.86
Lakshmi Vilas Bank			31.64		576.66	7,561.74		8,170.04
Oriental Bank of Commerce			98.09	570.00	1,052.53	6,230.52		7,951.13
Punjab National Bank	10,524.47	844.35	5,250.68	355.39	16,548.36	14,155.47	20,799.98	68,478.71
State Bank of Patiala			1,609.61	278.69	8,837.65	20,933.40		31,659.35
SASF	12,286.82							12,286.82
Others (Hire Purchase Loans)	7.23							7.23
Total :	42,639.24	2,822.46	16,131.55	2,167.21	56,043.51	96,870.09	25,443.01	242,117.07

Non Current borrowings (Note No.13) 26,196.89 1,969.68 10,369.66 1,269.12 47,960.94 87,766.29

Current maturities of long term debt. (Note no.19) 16,442.35 852.78 5,761.89 898.09 8,082.57 32,037.68

Current Borrowings (Note No.17) 96,870.09 25,443.01 122,313.10

ii) Summary of the interest rate on Term Loan, WCTL & Working Capital is as under:			
	Facility	Rate of Interest	Repayment Schedule commencing from October 31,2014
	Term Loan - 1	13.00%	96 MONTHS
	Term Loan - 2	13.50%	96 MONTHS
	Term Loan – SASF	9.00%	-
	WCTL	13.00%	96 MONTHS
	FITL- 1 & 2	11.00%	54 MONTHS
	Cash Credit	11.50%	-
All the interest rates are linked to the base rate of the monitoring institution i.e. Punjab National Bank			

- 43 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.69.32 lakhs (31.03.2016:Rs.117.44 lakhs) payable are charged as rent in to the statement of profit and loss.
- 44 Balances of Unsecured loans, receivables, payables and loans and advances are subjects to their confirmation and reconciliations.
- 45 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 2017

Place : Hyderabad
Date : 30th May 2017

**Consolidated
Financial Statements
for the Year Ended
31.03.2017**

SPLENDID METAL PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

SPLENDID METAL PRODUCTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Splendid Metal Products Limited ('the Holding Company') (Formerly known as Sujana Metal Products Ltd.) 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, 2017, 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, 2017 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 07 and 09 forming part of the financial statements regarding the Trade Receivables which are long overdue to the extent of Rs. 44,044.45 of which Rs.301.53 lakhs was provided as doubtful debts by the management. And Rs. 25277.63 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. 32 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.

Other Matter

We have audited 2 subsidiaries and one step down subsidiary of the company and we did not audit the financial statements of 1 direct subsidiary company and whose financial statements reflect total assets of Rs. 72,472.44 lakhs as at March 31, 2017, total revenues of Rs. 24,181.98 lakhs and net cash flows amounting to Rs. 268.61 for the year ended on that date, are 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.
- 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.

SPLENDID METAL PRODUCTS LIMITED

- 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, 2017, 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, 2017 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, 2017.
 - 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: 30-05-2017
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 **Splendid Metal Products Limited ('the Holding Company')** (Formerly known as Sujana Metal Products Ltd.) and its subsidiary companies incorporated in India as at March 31, 2017 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

SPLENDID 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, 2017, 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 company, 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: 30-05-2017
Place: Hyderabad

Consolidated Balance sheet as at 31st March, 2017

Rupees in lakhs

	Note No	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
I. ASSETS				
1 Non- Current Assets				
(a)	2	43,527.81	46,987.03	50,047.29
(b)		10,208.40	10,180.48	9,463.79
(c)		326.96	326.96	326.96
(d)		5,658.99	-	-
(e)				
(i)	3	1,633.41	1,519.99	1708.59
(ii)	4	385.01	900.03	-
		<u>61,740.58</u>	<u>59,914.49</u>	<u>61,546.63</u>
2 Current Assets				
(a)	5	25,404.53	35,790.06	29,458.41
(b)				
(i)	6	5.82	4.16	4.69
(ii)	7	2,16,621.06	2,94,649.21	3,06,629.19
(iii)	-	21.06	13.48	26.53
(iv)	8	426.49	461.03	2,915.81
(v)	9	39,684.64	43,142.33	24,551.41
(c)	10	83.10	135.25	336.73
		<u>2,82,246.70</u>	<u>3,74,195.52</u>	<u>3,63,922.77</u>
		<u>3,43,987.28</u>	<u>4,34,110.01</u>	<u>4,25,469.40</u>
TOTAL				
II. EQUITY AND LIABILITIES				
1 Equity				
(a)	11	15,050.54	15,050.54	11,565.91
(b)	12			
(ii)		(20,607.15)	13,060.74	22,992.65
(iii)				
a.		-	-	-
b.		56,437.56	57,031.91	55,427.35
		<u>50,880.95</u>	<u>85,143.19</u>	<u>89,985.91</u>
Minority Interest		681.09	724.74	746.16
2 Non- Current liabilities				
(a)				
(i)	13	87,766.29	1,13,137.72	101,982.07
(b)	14	253.76	291.00	308.61
(c)	15	-	3,405.90	7,077.20
(d)	16	109.53	216.36	197.95
		<u>88,129.58</u>	<u>1,17,050.98</u>	<u>1,09,565.83</u>
3 Current liabilities				
(a)				
(i)	17	124,348.27	1,06,479.92	6,0115.8
(ii)	18	39,515.40	1,17,595.81	159,733.38
(iii)		-	-	-
(b)	19	38,336.96	5,024.11	3,115.27
(c)	20	193.76	176.38	262.86
(d)	21	1,901.27	1,914.87	1,944.19
		<u>2,04,295.66</u>	<u>2,31,191.09</u>	<u>22,5171.5</u>
		<u>3,43,987.28</u>	<u>4,34,110.01</u>	<u>4,25,469.40</u>

See accompanying notes forming part of the 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
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 2017

Place : Hyderabad
Date : 30th May 2017

SPLENDID METAL PRODUCTS LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

Rupees in lakhs

	Note No	For the year ended 31 March 2017	For the year ended 31 March 2016
I. REVENUE			
Revenue from operations (gross)	22	1,56,141.95	4,18,283.26
II Other income	23	57.95	417.51
III Total revenue		<u>1,56,199.90</u>	<u>4,18,700.77</u>
IV EXPENSES			
Cost of materials	24.a & b	1,50,755.35	4,01,550.71
Change in inventories of finished goods, work in progress and stock- in-trade	24.c	9,460.40	(7,953.86)
Employee benefit expenses	25	1,280.68	1,842.84
Finance costs	26	26,166.89	22,663.68
Depreciation and amortisation expense	2A&2B	3,462.60	3,611.99
Other expenses	27	8,045.42	10,705.47
Total expenses		<u>1,99,171.34</u>	<u>4,32,420.83</u>
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		<u>(42,971.44)</u>	<u>(13,720.07)</u>
Exceptional Items		-	-
Profit before tax		<u>(42,971.44)</u>	<u>(13,720.07)</u>
VI TAX EXPENSE:			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Current tax relating to earlier years		-	-
d) Deferred tax relating to earlier years		-	(405.38)
		-	(405.38)
e) Deferred tax for Current Year		(9,064.88)	(3,265.83)
		<u>(9,064.88)</u>	<u>(3,671.21)</u>
VII PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS (III-IV)		<u>(33,906.56)</u>	<u>(10,048.86)</u>
Minority Interest		43.66	21.42
VIII Profit/(Loss) from Discontinued operations		-	-
IX Tax expenses of discontinued operations		-	-
X Profit/(Loss) from discontinued operations (after tax (X-XI))		<u>43.66</u>	<u>21.42</u>
XI Profit/(Loss) for the period (IX+XII)		<u>(33,862.90)</u>	<u>(10,027.44)</u>
XII OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or Loss		-	117.33
(ii) Income Tax relating to items that will not be reclassified to profit or Loss		-	-
B (i) Items that will not be reclassified to profit or Loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or Loss		-	-
		-	-
Total Comprehensive Income for the period (XIII+XIV)		<u>(33,862.90)</u>	<u>(9,910.11)</u>

Statement of Profit and Loss for the year ended 31st March 2017

Rupees in lakhs

	Note No	For the year ended 31 March 2017	For the year ended 31 March 2016
XIII Earnings per equity share of Rs. 5/- each (for continuing operation):			
Basic Rs.		(11.25)	(4.46)
Diluted Rs.		(11.25)	(4.46)
XIV Earnings per equity share of Rs. 5/- each (for discontinued operation):			
Basic Rs.		(11.25)	(4.46)
Diluted Rs.		(11.25)	(4.46)
XV Earnings per equity share of Rs. 5/- each (for discontinued & Continuing operation):			
Basic Rs.		(11.25)	(4.46)
Diluted Rs.		(11.25)	(4.46)
XVI Earnings per equity share of Rs. 5/- each (Refer Note No.31)			
Basic Rs.		(11.25)	(4.46)
Diluted Rs.		(11.25)	(4.46)
See accompanying notes forming part of the financial statements			

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & AssociatesChartered Accountants
FRN No: 003329S**T. Raghavendra**Mem.No : 023806
Place : Hyderabad
Date : 30th May 2017**R K Birla**Managing Director
(DIN: 00118776)**Ch. Narayana Rao**
Chief Financial OfficerPlace : Hyderabad
Date : 30th May 2017**S. Hanumantha Rao**Director
(DIN: 00118801)**Shaik Ibraheem**
Company Secretary

SPLENDID METAL PRODUCTS LIMITED

Cash Flow Statement for the Year ended 31 March 2017

Rupees in lakhs

Particulars	For the year ended 31 March 2017	For the Year ended 31 March 2016
Cash flow from operating activities		
Net profit before tax	(42,971.44)	(13,624.54)
Adjustments for:	-	-
Depreciation and amortisation	3,462.60	3611.99
Loss on sale of fixed assets (net)	8.16	33.85
Net unrealised exchange gain	-	-
Finance costs	26,166.89	22663.68
Interest income	(80.12)	-240.6
Loss on sale of current investment	-	-
Adjustments to the carrying amount of current investments	(1.66)	0.53
Operating profit before working capital changes	(13,415.57)	12,444.91
<i>Changes in working capital:</i>	-	-
<i>Adjustments for (increase) / decrease in operating assets:</i>	-	-
Inventories	10,385.53	(6,331.65)
Trade receivables	78,028.15	11979.98
Long-term loans and advances	(113.42)	188.6
Short-term loans and advances	3,457.69	(18,590.92)
Other current assets	-	-
Other non current assets	515.02	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	-	-
Trade payables	(78,080.41)	(41,243.64)
Other current liabilities	33,207.22	1014.91
Other long-term liabilities	(106.83)	18.41
Other Short-term liabilities	17.38	(86.48)
Provision for employee benefits	(37.24)	(17.61)
Cash generated from operations	33,857.52	(40,623.49)
Net income tax paid	(13.60)	(21.35)
Net cash flow from operating activities	(A) 33,843.92	(40,644.84)
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(50.42)	(1604.06)
Receipt of capital advances	-	-
Proceeds from sale of fixed assets	10.95	293.72
(Increase)/decrease in restricted cash	650.29	1703.21
Advances given to subsidiaries	-	-
Advances realised from subsidiaries	-	-
Purchase of current investments	-	-
Foreign Currency Translation Adjustment	(808.73)	-
Proceeds from sale of current investment- mutual fund units	-	-
Income from current investments received	-	-
Interest received	132.27	442.09
Net cash used in investing activities	(B) (65.64)	834.96

Cash Flow Statement for the Year ended 31 March 2017

Rupees in lakhs

Particulars	For the year ended 31 March 2017	For the Year ended 31 March 2016
Cash flow from financing activities	-	-
Proceeds from issue of share capital	-	3,609.08
Share premium received / Capital Reserve	-	-
Proceeds from long-term borrowings	(25,371.43)	11,031.21
Repayment of long-term borrowings	-	-
Increase in short-term borrowings	17,868.35	46,364.12
Dividend paid including tax there on	-	-
Interest and other borrowing costs paid	(26,166.89)	(22,663.68)
Net cash (used in)/from financing activities (C)	(33,669.97)	38,340.73
Net (decrease)/increase in cash and cash equivalents (A + B + C)	108.31	(1,469.15)
Cash and cash equivalents at the beginning of the year	339.24	203.83
Exchange difference on translation of foreign currency cash and cash equivalents		1,604.56
Cash and cash equivalents at the end of the year	447.55	339.24

Notes:

- Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements.
- Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with banks with an original maturity of three months or less
- Reconciliation of Cash and cash equivalents with balance sheet:

Cash and bank balances as per balance sheet	447.55	1,374.54
Less: Balances in earmarked accounts		-
- balance held as margin monies	-	1,035.3

Net cash and cash equivalents at the end of the year	447.55	339.24
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See accompanying notes forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For T. Raghavendra & AssociatesChartered Accountants
(Firm Regn. No. 003329S)**T. Raghavendra**

M.No. 023806

Place : Hyderabad
Date : 30th May 2017**R K Birla**Managing Director
(DIN: 00118776)**Ch. Narayana Rao**
Chief Financial OfficerPlace : Hyderabad
Date : 30th May 2017**S. Hanumantha Rao**Director
(DIN: 00118801)**Shaik Ibraheem**
Company Secretary

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

"Splendid 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 changed its name as Sujana Metal Products Limited w.e.f. 09 November 2001. The Company further changed its name as "SPLENDID METAL PRODUCTS LIMITED" w.e.f. 16th November 2016. 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 Splendid 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 Indian Accounting Standard - "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 requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

d Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Revenue from sale of by-products are included in revenue.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e Foreign Currency Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period.

f Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

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

i. Provision for gratuity, leave encashment/availment and long service benefits i.e. service award, compassionate gratuity and employees' family benefit scheme is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

ii. Provision for post-retirement medical benefit is made on defined contribution basis.

iii. Provident fund contribution is made to Provident Fund Trust on accrual basis.

iv. Payment of Ex-gratia and Notice pay on Voluntary Retirement are charged to revenue in the year incurred.

v. Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

h Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

However the Company is in Losses. So, there is no current tax for the current Financial Year

Investments

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss

Property, plant and equipment

The cost of property, plant and equipment 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, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and over haul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2015, measured as per the previous GAAP and used as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, 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-rolls	1 year

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

k. Earnings per Share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

i. Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cashflows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

m. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Liabilities are disclosed in the General Notes forming part of the accounts

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

n. Leases

Assets held under lease, in which a significant portion of the risks and rewards of ownership are transferred to lessee are classified as finance leases. Other leases are classified as operating leases. The company normally enters into operating leases which are accounted for as under:-

- (i) Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.
- (ii) Where the company is a lessee, operating lease payments are recognized as an expense on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 2 Property, Plant and Equipment

PARTICULARS	Free hold Land	Buildings	Plant & machinery	Electrical Installation	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Good Will	Total
Cost/Deemed cost at 1 April 2015	2,230.05	5,198.18	68,370.34	3,068.36	93.52	177.85	679.21	964.74	28.68	80,810.93
Additions	-	806.51	91.06	0.20	-	1.78	0.68	-	-	900.23
Deductions	-	221.87	177.57	-	0.18	0.89	54.38	-	-	454.89
At 31 March 2016	2,230.05	5,782.82	68,283.83	3,068.56	93.34	178.74	625.51	964.74	28.68	81,256.27
Additions	-	-	18.72	-	-	3.74	-	-	-	22.46
Deductions	-	-	-	-	-	-	37.46	-	-	37.46
At 31 March 2017	2,230.05	5,782.82	68,302.55	3,068.56	93.34	182.48	588.05	964.74	28.68	81,241.27
Accumulated Depreciation at 1 April 2015	-	1,175.25	26,790.75	1,205.64	68.33	142.14	415.90	936.95	28.68	30,763.64
Depreciation Expense	-	197.99	2,915.67	399.16	5.24	14.04	53.60	26.30	-	3,612.00
Deductions	-	0.20	70.07	-	0.03	0.25	36.99	-	-	107.54
At 31 March 2016	-	1,373.04	29,636.35	1,604.80	73.54	155.93	432.51	963.25	28.68	34,268.10
Depreciation Expense	-	199.43	2,802.82	395.02	8.48	6.06	50.00	0.79	-	3,462.60
Deductions	-	-	-	-	-	-	18.35	-	-	18.35
At 31 March 2017	-	1,572.47	32,439.17	1,999.82	82.02	161.99	464.16	964.04	28.68	37,712.35
Carrying value at 31 March 2017	2,230.05	4,210.35	35,862.27	1,068.74	11.32	20.49	123.89	0.70	-	43,527.81
at 31 March 2016	2,230.05	4,409.78	38,647.48	1,463.76	19.80	22.81	193.00	1.49	-	46,988.17
at 31 March 2015	2,230.05	4,022.93	41,579.59	1,862.72	25.19	35.71	263.31	27.79	-	50,047.29

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 3 : Non -Current Loans			
i) (Unsecured and considered good)			
a) Security deposits	534.73	210.20	155.69
b) MAT credit entitlement	290.66	290.66	290.66
c) Deposits with government authorities	808.02	1,019.13	1,262.24
d) Advances for supply of goods and rendering of services	-	-	-
(A)	<u>1,633.41</u>	<u>1,519.99</u>	<u>1,708.59</u>
ii) Doubtful			
a) Security deposits	2.90	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02	349.02
	<u>351.92</u>	<u>351.92</u>	<u>351.92</u>
Less: Provision for doubtful advances	351.92	351.92	351.92
(B)	-	-	-
(A+B)	<u>1,633.41</u>	<u>1,519.99</u>	<u>1,708.59</u>
Note 4 : Other Non-current Assets			
Deposits with bank - maturity due beyond 12 months	385.01	900.03	-
	<u>385.01</u>	<u>900.03</u>	<u>-</u>
Note 5 : Inventories (At lower of cost and net realisable value)			
Raw materials	680.68	1,586.84	3,013.36
Finished goods	23,750.77	33,211.17	25,257.31
Stores and spares	973.08	992.05	1,187.74
	<u>25,404.53</u>	<u>35,790.06</u>	<u>29,458.41</u>
Note 6 : Current investments			
(At lower of cost and fair value)			
Investment in mutual funds (Quoted)			
SBI - PSU fund dividend	5.00	5.00	5.00
50,000 (31.03.2016 : '50,000' units purchased during the previous period)	-	-	-
Less: provision for diminution in the value of investment	0.82	(0.84)	(0.31)
	<u>5.82</u>	<u>4.16</u>	<u>4.69</u>
Aggregate amount of quoted investments	5.00	5.00	5.00
Aggregate provision for Accretion/(diminution) in the value of current investments	0.82	(0.84)	(0.31)
Note 7 : Trade receivables (Unsecured)			
Trade receivables outstanding			
Considered Good	216,621.06	294,649.21	3,06,629.19
Considered Doubtful	301.53	663.04	691.30
	<u>216,922.59</u>	<u>295,312.25</u>	<u>3,07,320.49</u>
Less: Provision for doubtful trade receivables	301.53	663.04	691.30
	<u>216,621.06</u>	<u>294,649.21</u>	<u>3,06,629.19</u>
	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 8: Bank balances other than Cash			
Balances with Banks:			
In current accounts	426.49	325.76	177.30
Other bank balances			
In earmarked accounts	-	-	-
Balance held as margin monies	-	135.27	2,738.51
	426.49	461.03	2,915.81
Note 9: Current asset - Loans			
l) (Unsecured and considered good unless otherwise stated)			
Security deposits	78.21	31.01	21.75
Loans and advances to employees	23.18	15.65	31.10
Prepaid expenses	5.81	28.18	10.62
Balances with government authorities			
CENVAT credit receivable	469.60	491.90	1,562.96
VAT credit receivable	56.39	1.24	-3.79
Advances for supply of goods and rendering of services	38,169.78	39,337.17	21,754.62
Others	881.67	3,237.18	1,174.15
	39,684.64	43,142.33	24,551.41
Note 10: Other current assets			
Interest accrued but not due on deposits	83.10	135.25	336.73
	83.10	135.25	336.73
Note 13: Non Current borrowings			
Secured			
Cumulative redeemable preference shares		124.45	-
a) Term loans from	-		
i) Banks	28,162.47	37,946.69	27,378.42
ii) Financial institutions	-	11,672.65	11,060.01
b) Funding of Interest on Term Loan	-	-	
i) FITL - I	10,369.66	13,980.20	14,264.17
ii) FITL -II	1,269.12	1,899.39	2,036.73
iii) W C T L	47,960.94	47,512.60	47,236.89
c) Vehicle loans from			
i) Banks	4.10	1.74	5.85
ii) Others	-	-	-
	87,766.29	113,137.72	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 promoter.
Loan from SASF are secured by 1st charge on Unit at Sanivada Village, Rajeevnagar, Visakhapatnam -530046, 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 - 502 325, Telangana
- The terms of repayment and rate of interest on the loans from banks and financial institutions mentioned in the note no. 33.
- 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.

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs)		As at 31st March 2017	As at 31st March 2016
Note 12: A. EQUITY SHARE CAPITAL			
Authorised			
i)	310,000,000 (31.03.2016:310,000,000) Equity Shares of Rs.5 each	15,500.00	15,500.00
ii)	4,500,000 (31.03.2016:4,500,000) Preference Shares of Rs. 100 each	4,500.00	4,500.00
Issued, subscribed and fully paid up			
ii)	301,010,881 (31.03.2016:301,010,881) Equity Shares of Rs. 5 each	15,050.54	15,050.54
		15,050.54	15,050.54
		Rupees in lakhs	
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 2017	Year ended 31 March 2016
		Number	Amount
		Number	Amount
		Year ended 31 March 2015	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		30,10,10,881	15,050.54
Shares issued during the year/period		20,14,50,881	10,072.54
Shares bought back during the year/ period		-	-
Shares outstanding at the end of the year/ period		9,95,60,000	4,978.00
		-	-
		30,10,10,881	15,050.54
		20,14,50,881	10,072.54
ii) Details of shares held by each shareholder holding more than 5% shares:			
		As at 31 March 2017	As at 31 March 2016
		As at 31 March 2015	As at 31 March 2015
Name of Shareholder		No. of Shares held	No. of Shares held
		% held	% held
		No. of Shares held	No. of Shares held
		% held	% held
a) Equity shares of Rs. 5 each fully paid			
Yalamanchili Finance & Trading Pvt Ltd		13,14,26,585	43.66
Foster Infin and Trading Pvt Limited		2,50,00,000	8.31
Stressed Assets Stabilisation Fund		1,27,59,682	4.24
Sujana Holdings Limited		1,00,00,000	3.32
		13,14,26,585	43.66
		2,50,00,000	8.31
		1,27,59,682	4.24
		1,00,00,000	3.32
		267,66,585	83.53
		250,00,000	77.01
		127,59,682	39.24
		100,00,000	30.21
		633,25,263	19.36
b) The company has only one class of equity shares having a par value of Rs.5/-. Each equity shareholder is entitled to one vote per share held .			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. OTHER EQUITY

	Balance at	Changes in Accounting Policy / Prior Period Errors	Restated Balance at	Total Comprehensive Income	Dividends	Transfer to Retained Earnings	Any Other Change	Balance at
	March 31, 2016		March 31, 2016					March 31, 2017
(i) Equity Components of Other Financial Instruments	-	-	-	-	-	-	-	-
(ii) Retained Earnings	13060.74	(195.01)	13255.75	(33862.89)				(20607.14)
(iii) Reserves								
a. Reserves representing unrealised gains / losses								
Others	-	-	-	-				
b. Other reserves								
Capital reserve	9880.43		9880.43					9880.43
Capital redemption reserve	1493.36		1493.36					1493.36
Securities premium reserve	35430.34		35430.34					35430.34
Foreign Currency Transaction Reserve	9529.13	(594.34)	8934.78					8934.78
General reserve	698.64		698.64					698.64
(iv) Money received against share warrants	-	-	-	-				0
(v) Others	-	-	-	-				-
(i) Equity Components of Other Financial Instruments	-	-	-	-				-
(ii) Retained Earnings	22992.00	21.80	22970.00	(9910.11)				13060.74
(iii) Reserves								
a. Reserves representing unrealised gains / losses								
Others								
b. Other reserves								
Capital reserve	9880.43	-	9880.43					9880.43
Capital redemption reserve	1493.36	-	1493.36					1493.36
Securities premium reserve	35430.34	-	35430.34					35430.34
Foreign Currency Transaction Reserve	7924.57	1604.56	9529.13					9529.13
General reserve	698.64	-	698.64					698.64
(iv) Money received against share warrants	0	-	-	-				-
(v) Others								

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- b) The company has only one class of equity shares having a par value of Rs. 5/- Each equity shareholder is entitled to one vote per share held. (Rupees in lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015
Note 14: Non Current provisions			
Provision for Employee benefits	253.76	291.00	308.61
	<u>253.76</u>	<u>291.00</u>	<u>308.61</u>
Note 15: Deferred tax liabilities/(Asset-net)			
Deferred tax liability:			
On difference between book balance and tax balance of fixed assets	11,641.39	7,116.59	7,453.81
Deferred tax asset:			
Provision for employee benefits	138.67	143.61	151.38
Provision for doubtful trade receivables, loans and advances	201.92	313.62	225.23
Other Business Loss	5,641.81	3,253.46	-
	<u>5,982.40</u>	<u>3,710.69</u>	<u>376.61</u>
Deferred tax liabilities /(Asset-net)	<u>(5,658.99)</u>	<u>3,405.90</u>	<u>7,077.20</u>
Note 16: Other Non- Current liabilities			
Security Deposits	85.21	190.46	170.46
Govt Grands - Differed Receivable	24.32	25.90	27.49
	<u>109.53</u>	<u>216.36</u>	<u>197.95</u>
Note 17: Current Borrowings			
Loans repayable on demand			
From Banks			
Secured (Refer Note No. 33)	122,313.10	104,401.99	54,996.50
From Others	-	-	-
Unsecured	2,035.17	2,077.93	5,119.30
	<u>124,348.27</u>	<u>106,479.92</u>	<u>60,115.80</u>
Note 18: Trade payables			
Acceptances	-	-	37,275.63
Other than acceptances	39,515.40	117,595.81	1,22,457.75
	<u>39,515.40</u>	<u>117,595.81</u>	<u>1,59,733.38</u>
Note 19: Other current liabilities			
Current maturities of long-term debt	32,037.68	8.14	-
Other payables	2,613.47	1,004.70	-
Statutory remittances	661.81	190.23	244.82
CRPS Payable	1,493.37	1,368.92	-
Payables on purchase of fixed assets	2.16	28.46	13.45
Advances from customers	1,528.47	2,423.66	2,857.00
	<u>38,336.96</u>	<u>5,024.11</u>	<u>3,115.27</u>
Note 20: Current provisions			
Provision for employee benefits	191.12	173.74	157.95
Provision for proposed dividend on CRPS	-	-	99.74
Provision for tax on proposed dividend	2.64	2.64	5.17
	<u>193.76</u>	<u>176.38</u>	<u>262.86</u>
Note 21: Current tax provisions			
Provision for current income tax	1901.27	1,914.87	1,944.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2017	Year Ended 31 March 2016
Note 22: Revenue from operations		
a) Sale of products		
i) Manufactured	18,081.37	35,527.75
ii) Traded & Processed Goods	1,35,770.69	3,81,623.96
iii) Exports	-	-
b) Other operating revenues	-	-
Conversion income	2,280.89	1,122.55
Rental income from operating leases	9.00	9.00
Total	1,56,141.95	4,18,283.26
Note 23: Other Income		
a) Interest on deposit with banks and others	80.12	240.60
b) Liabilities/Provisions no longer required written back	25.86	36.31
c) Miscellaneous income	8.16	11.54
d) Increase/(decrease) of excise duty on inventory	(56.19)	129.06
	57.95	417.51
Note 24.a : Cost of materials		
Opening Stock	1,586.84	3,013.36
Add : Purchases	1,49,849.20	4,00,124.19
	1,51,436.04	4,03,137.55
Less : Closing stock	680.69	1,586.84
	1,50,755.35	4,01,550.71
Less : Transfer to capital work in progress	-	-
	1,50,755.35	4,01,550.71
Note 24.b: Changes in inventories of finished goods, work in progress and stock-in-trade		
Inventories at the beginning of the year:		
Finished goods	33,211.17	25,257.31
Work in progress	-	-
Stock in trade	-	-
	33,211.17	25,257.31
Inventories at the end of the year:		
Finished goods	23,750.77	33,211.17
Work in progress	-	-
Stock in trade	-	-
	23,750.77	33,211.17
Net (increase) / decrease	9,460.40	(7,953.86)

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2017	Year Ended 31 March 2016
Note 25: Employee benefit expenses		
Salaries, wages and bonus	1,164.36	1,676.44
Contribution to provident and other funds	88.82	122.16
Staff welfare expenses	27.50	44.24
	1,280.68	1,842.84
Note 26: Finance costs		
Interest expense on Borrowings	25,548.94	22,322.65
Other borrowing costs	617.95	341.03
	26,166.89	22,663.68
Note 27: Other expenses		
Consumption of stores, spares and consumables	694.95	976.29
Excise duty on sale of goods	2,005.64	3,930.46
Power and fuel	3,602.10	4,468.40
Other manufacturing expenses	85.20	183.55
Equipment hire charges	26.90	25.93
Job work charges	371.66	372.45
Rent includes lease rentals	60.32	110.49
Repairs and Maintenance-Buildings	2.30	0.97
Repairs and Maintenance-Machinery	36.58	53.86
Repairs and Maintenance-Others	18.53	26.91
Insurance	33.43	22.38
Rates and taxes	202.18	88.53
Factory maintenance	16.99	29.61
Printing and stationery	12.06	18.42
Communication	29.68	34.74
Travelling and conveyance	113.65	196.98
Legal and professional	126.27	193.05
Payments to auditors (Refer Note (i) below)	25.98	36.75
Security Charges	98.15	107.46
Donations	0.70	10.16
Adjustments to carrying amount of current investments	(1.66)	0.53
Sales commission	5.02	41.83
Sales discount	38.33	71.39
Net gain on foreign currency transactions and translations	179.16	(783.83)
Business promotion	8.17	19.06
Freight outwards	176.53	328.38
Directors' fees	2.11	3.90
Miscellaneous expenses	66.33	102.97
Loss on sale of fixed assets	8.16	33.85
	8,043.54	10,705.47
Note (i): Payments to the auditors		
As auditors - statutory audit	25.98	36.75
Other Services	-	-
Total	25.98	36.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**28 The List of Subsidiary Companies which are included in the consolidation and the Company's holding therein are as under:**

Name of the Company	Percentage of voting power as at 31 March 2017	Percentage of voting power as at 31 March 2016	Country of Incorporation
Subsidiaries (held directly)			
Glade Steel Pvt Ltd.	51.15%	51.15%	India
Alpha Ventures Ltd.	100%	100%	Cayman Islands
Asian Tide Ventures Ltd.	100%	100%	Hong Kong
Subsidiary (held indirectly)			
Optimix Enterprises Limited (w.e.f 22.08.2011)	100%	100%	Mauritius

29 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. 55.09 lakhs (31.03.2016: Rs.63.18 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, 2017 is Rs.210.96 lakhs (31-3-2016: Rs.207.60 lakhs) of which Rs.1.45 lakhs (31.3.2016: 13.47lakhs) is funded with the Life Insurance Corporation of India. The balance of Rs.283.35 lakhs (31-3-2016: Rs.194.13 lakhs) is included.

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	210.97	68.61	279.58
	207.6	73.68	281.28
Fair value of plan assets	(1.45)	-	(1.45)
	(12.12)	-	(12.12)
Net liability	209.52	68.61	278.13
	195.48	73.68	269.16

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.

SPLENDID METAL PRODUCTS LIMITED

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	28.18	(5.08)	23.1
	<i>28.30</i>	<i>(81.48)</i>	<i>(53.18)</i>
Interest Cost	16.19	5.75	21.94
	<i>24.42</i>	<i>12.10</i>	<i>36.52</i>
Expected return on plan assets	(0.02)	-	(0.02)
	<i>(0.23)</i>	-	<i>(0.23)</i>
Actuarial (Gains)/Losses	(21.77)	4.87	(16.9)
	<i>(116.66)</i>	<i>(0.67)</i>	<i>(117.33)</i>
Total included in employee benefit expense	22.58	5.54	28.12
	<i>(64.17)</i>	<i>(70.05)</i>	<i>(134.22)</i>
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	207.59	73.69	281.28
	<i>313.12</i>	<i>155.17</i>	<i>468.29</i>
Current Service Cost	28.18	(5.08)	23.10
	<i>28.30</i>	<i>(81.48)</i>	<i>(53.18)</i>
Interest Cost	16.19	5.75	21.94
	<i>24.42</i>	<i>12.10</i>	<i>36.52</i>
Actuarial (Gains)/Losses	(21.77)	4.87	(16.9)
	<i>(116.66)</i>	<i>(0.67)</i>	<i>(117.33)</i>
Benefits Paid	(19.22)	(10.62)	(29.84)
	<i>(41.58)</i>	<i>(11.44)</i>	<i>(53.02)</i>
Closing defined benefit obligation	210.97	68.61	279.58
	<i>207.60</i>	<i>73.68</i>	<i>281.28</i>
Opening fair value of plan assets	11.40	-	11.40
	<i>2.11</i>	-	<i>2.11</i>
Expected return on plan assets	0.02	-	0.02
	<i>0.23</i>	-	<i>0.23</i>
Contributions by employer	7.72	-	7.72
	<i>44.99</i>	-	<i>44.99</i>
Benefits Paid	(17.69)	-	(17.69)
	<i>(35.21)</i>	-	<i>(35.21)</i>
Closing Fair Value of Plan Assets	1.45	-	1.45
	<i>12.12</i>	-	<i>12.12</i>
Assumptions			
Interest / Discount Rate			7.37%
			<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.

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	2016-17	2015-16	2014-15	2013-14	2012-13
Gratuity					
Present value of defined benefit obligation	210.97	207.6	313.11	298.87	248.2
Fair value of plan assets	1.45	13.47	2.65	13.90	5.02
Status [Surplus / (Deficit)]	(209.52)	(194.13)	(310.46)	(284.97)	(243.18)
Compensated Absences					
Present value of defined benefit obligation	68.61	73.68	155.17	137.10	107.66
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(68.61)	(73.68)	(155.17)	(137.10)	(107.66)

30 Related Party Disclosure

The following are related parties as defined in "Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures" notified under The Companies (Accounting Standards) Rules, 2013.

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. Ch. Narayana Rao	Chief Financial Officer
iii. Mr. Shaik Ibraheem	Company Secretary

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 (Tuticorin) Limited		√
8	Sujana Projects Limited	√	√
9	Neueon Towers Ltd.	√	√
10	Lakshmi Gayatri Industries pvt ltd	√	√
11	Yalamanchili Finance and Trading Private Limited	√	
12	Sujana Pumps & Motors Pvt. Ltd		

Note: Related parties have been identified by the management.

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

Related Party Transactions with:				
Particulars	Subsidiaries		On Account of Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16
A) Sales				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	1222.95	10179.17
Neueon Towers Ltd.	-	-	354.98	687.47
SUB-TOTAL	-	-	1577.93	10866.64
B) Purchases				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Ltd	-	-	3273.83	4276.04
Neueon Towers Ltd.	-	-	517.27	675.5
SUB-TOTAL	-	-	3791.1	4951.54
C) Investments made during the year/period				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	-	-	-
SUB-TOTAL	-	-	-	-
D) Advances given/(refunded) during the year				
Alpha Ventures Limited	-	-	-	-
Asian Tide Enterprises Limited	-	-	-	-
SUB-TOTAL	-	-	-	-
E) Advances received during the year				
Yalamanchili Finance and Trading Private Limited	-	-	-	-
SUB-TOTAL	-	-	-	-
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
Mr. Hanumantha Rao- Director Finance	-	-	-	10.35
Mr. Mr. Ch. Narayana Rao - Chief Financial Officer	-	-	30.00	30.00
Mr. Shaik Ibraheem - Company Secretary	-	-	12.38	12.38
SUB-TOTAL	-	-	42.38	143.00

31 Earnings Per Share

(Rupees in lakhs)

Particulars	2016-17	2015-16
Profit After Tax	(33906.55)	(9953.33)
Less: Preference Dividend including tax thereon	-	-
Profit attributable to ordinary share holders	(33906.55)	(9953.33)
Profit attributable to ordinary share holders- for diluted EPS	(33906.55)	(9953.33)
Weighted average number of ordinary shares used in computing Basic Earnings per Share	301010881	221090033
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.	301010881	221090033
Earnings per share - Face Value: Rs. 5/- each		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Basic - Rs.	(11.26)	(4.46)
Diluted - Rs.	(11.26)	(4.46)

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

Particulars		As at 31 March 2017	As at 31 March 2016
a)	Contingent liabilities		
i)	Claims against the Company not acknowledged as debts in respect of:		
	Excise Duty	1900.71	2413.00
	Custom Duty	775.79	727.64
	TNVAT/APGST/CST	12997.44	12997.44
	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	81410.00	81410.00
	Corporate guarantee furnished on behalf of Optimix Enterprises Limited (USD 75 lakhs)	4087.50	4087.50
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 (31.03.2016 : Rs.112.916Lakhs) . 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)	112.16	112.16

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

33. Details of Loans as on 31.03.2017 as Follows:

i) Balances as on 31.03.2017 (Rupees in lakhs)

Bank name	Old Term Loan	New Term Loan	FITL - I	FITL - II	WCTL	Cash Credit	LC Devolvement	Total
Andhra Bank	5,760.23	699.75	1,130.23					7,590.21
Bank of Baroda			401.47	131.95	2,095.59	5,474.45	2,330.58	10,434.05
Bank of India	6,440.74	650.97	3,833.06	273.00	12,431.68	25,261.53		48,890.98
IDBI Bank	2,843.28	334.78	612.60					3,790.65
Indian Bank			272.93	209.91	4,133.02	2,933.70		7,549.56
Indian Overseas Bank	4,580.64	292.61	2,683.75	282.81	8,744.41	12,372.25		28,956.48
Karnataka Bank	195.83		207.50	65.45	1,623.60	1,947.04	2,312.45	6,351.86
Lakshmi Vilas Bank			31.64		576.66	7,561.74		8,170.04
Oriental Bank of Commerce			98.09	570.00	1,052.53	6,230.52		7,951.13
Punjab National Bank	10,524.47	844.35	5,250.68	355.39	16,548.36	14,155.47	20,799.98	68,478.71
State Bank of Patiala			1,609.61	278.69	8,837.65	20,933.40		31,659.35
SASF	12,286.82							12,286.82
Others (Hire Purchase Loans)	7.23							7.23
Total :	42,639.24	2,822.46	16,131.55	2,167.21	56,043.51	96,870.09	25,443.01	242,117.07

SPLENDID METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Non Current borrowings (Note No.13)	26,196.89	1,969.68	10,369.66	1,269.12	47,960.94	87,766.29
Current maturities of long term debt. (Note no.19)	16,442.35	852.78	5,761.89	898.09	8,082.57	32,037.68
Current Borrowings (Note No.17)					96,870.09	25,443.01
						122,313.10

ii) Summary of the interest rate on Term Loan, WCTL & Working Capital is as under:			
	Facility	Rate of Interest	Repayment Schedule commencing from October 31,2014
	Term Loan - 1	13.00%	96 MONTHS
	Term Loan - 2	13.50%	96 MONTHS
	Term Loan – SASF	9.00%	-
	WCTL	13.00%	96 MONTHS
	FITL- 1 & 2	11.00%	54 MONTHS
	Cash Credit	11.50%	-
All the interest rates are linked to the base rate of the monitoring institution i.e. Punjab National Bank			

34. Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:-

Particulars	SBNs	Other denominations notes	Total
Closing cash in hand as on 08-11-2016	3,013,500	4,511,961	7,525,461
(+) Permitted receipts	1,228,000	1,645,910	2,873,910
(-) Permitted payment	1,912,000	1,894,491	3,806,491
(-) Amount deposited in Banks	2,329,500	199,581	2,529,081
Closing cash in hand as on 30-12-2016	-	4,063,799	4,063,799

Explanation : For the purposes of this clause, the term 'Specified Bank Notes'(SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

- 35** 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.60.32 lakhs (31.03.2016:Rs.110.49 lakhs) payable are charged as rent in to the statement of profit and loss.
- 36** Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- 37** 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
Place : Hyderabad
Date : 30th May 2017

Ch. Narayana Rao
Chief Financial Officer
Place : Hyderabad
Date : 30th May 2017

Shaik Ibraheem
Company Secretary

SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd.)

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

CIN : L28120TG1988PLC008610

27th Annual General Meeting - Friday, 29th September, 2017

ATTENDANCE SLIP

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

I, hereby record my presence at the 27th Annual General Meeting of the Company to be held on Friday, September 29th, 2017 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
107562		

SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd.)

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 27th Annual General Meeting of the Company, to be held on the Friday, September 29th , 2017 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:

SPLENDID METAL PRODUCTS LIMITED

Resolution No.	Resolutions
Ordinary Business	
1	Adoption of Audited Standalone Financial Statements and Consolidated Financial Statements for the year ended 31st March, 2017 and the Reports of Directors & Auditors thereon
2	Re-appointment of Shri G.Srinivasa Raju, who retires by rotation.
3	Ratification of the appointment of M/s. T.Raghavendra Rao & Associates, Statutory Auditors of the Company for the financial year ending 31st March, 2018.
Special Business	
4	Re-appointment of Shri R.K.Birla, Managing Director of the Company for a period not exceeding three years.
5	Ratification of remuneration of the Cost Auditor of the Company.

Signed this day of September, 2017.

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 27th 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 : Splendid Metal Products Limited (Formerly known as 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, 2017 and the Reports of Directors & Auditors thereon.			
2.	Re-appointment of Shri G.Srinivasa Raju, who retires by rotation.			
3.	Ratification of the appointment of M/s. T.Raghavendra Rao & Associates, Statutory Auditors of the Company for the financial year ending 31st March, 2018.			
	Special Business			
4.	Re-appointment of Shri R.K.Birla, Managing Director of the Company for a period not exceeding three years.			
5.	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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SPLENDID METAL PRODUCTS LIMITED

(Formerly known as Sujana Metal Products Limited)

Registered Office: Plot No. 18, Nagarjuna Hills,

Panjagutta Hyderabad - 500 082, Telangana

Phone : 040-23351882, 23351887

Website : www.sujana.com