

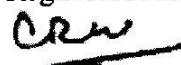
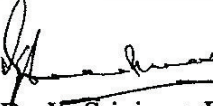


Form A
(Unqualified/ Matter of Emphasis Report)

Format of covering letter of the annual audit report to be filed with the Stock Exchange

S. No	Particulars	Details
01	Name of the Company	M/s. Sujana Metal Products Limited
02	Annual Financial Statement for the Year Ended	31st March, 2014
03	Type of Observation	Un- qualified
04	Frequency of observation	Not Applicable
05	Signature:	
	Managing Director	 R.K.Birla Date: 28.08.2014 Place: Hyderabad
	Director (Finance)	 S.Hanumantha Rao Date: 28.08.2014 Place: Hyderabad
	Auditor of the Company	For CRK & ASSOCIATES Chartered Accountants Firm Reg.No:010004S  C. Rajendra Kumar, FCA Partner Mem. No 23103 Date: 28.08.2014 Place: Hyderabad
	Audit Committee Chairman	 Dr. K. Srinivasa Rao Date: 28.08.2014 Place: Hyderabad

24th ANNUAL REPORT

2013-2014



SUJANA METAL PRODUCTS LIMITED



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



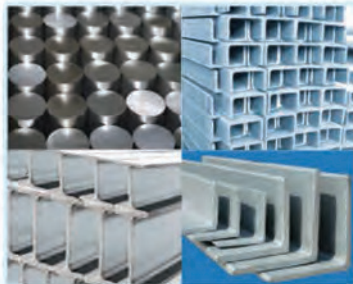
SUJANA[®]
**SMART
STEEL** ✓
Customized • Convenient • Cost-saving



SUJANA[®]
PLUS
TMT REBAR



SUJANA[®]
CORROSION
RESISTANT
STEEL **CRS**



SUJANA
**STRUCTURAL
STEEL**





CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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 Y.S.Chowdary Shri G.Srinivasa Raju Shri R.K.Birla
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SHAREHOLDERS' GRIEVANCES COMMITTEE	:	Shri S.Hanumantha Rao Shri Y.S.Chowdary 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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COMPANY SECRETARY	:	Shri Shaik Ibraheem
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VICE PRESIDENT (FINANCE & ACCOUNTS)	:	Shri Ch. Narayana Rao
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STATUTORY AUDITORS	:	M/s. CRK & Associates Chartered Accountants, Hyderabad
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INTERNAL AUDITORS	:	Shri M. Balarama Krishnaiah Chartered Accountant, Hyderabad
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COST AUDITORS	:	M/s. Nageswara Rao & Co., Cost Accountants, Secunderabad
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BANKERS	:	Andhra Bank Bank of Baroda Bank of India IDBI Bank Limited Indian Overseas Bank Indian Bank Karnataka Bank Limited
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SUJANA METAL PRODUCTS LIMITED

	State Bank of Patiala Punjab National Bank (PNB) Lakshmi Vilas Bank Oriental Bank of Commerce
REGISTERED OFFICE & CORPORATE OFFICE	: Plot No.41, 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) Plot No. 4, Survey No. 296/7/7A, IDA Bollaram, Jinnaram Mandal, Medak District-502325, Telangana. (viii) Survey No. 473, 576 & 442, Kethepally Road, Chikatigudem Village, Kethipally Mandal, Nalgonda Dist, Telangana - 508 211. 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.
LISTING	: Equity Bombay Stock Exchange 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. The Madras Stock Exchange Limited (MSE) Exchange Building, P.Box 183, 11, 2nd Line Beach, Chennai – 600 001.
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 Fourth (24th) Annual General Meeting of the members of the Company will be held on Tuesday, the 30th day of September, 2014 at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500034, Telangana at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2014, including the audited Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Y.S.Chowdary (DIN: 00061477), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.
4. To appoint M/s. CRK & Associates (Registration No. 010004S), Chartered Accountants, Hyderabad as the Statutory Auditors of the Company, to hold office from the conclusion of this (24th) Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors, to fix their remuneration.

SPECIAL BUSINESS

5. **To appoint Shri J. Ramakrishnan (DIN: 02153325) as an Independent Director 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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (Including any statutory modification(s) or re-

enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement, Shri. J. Ramakrishnan (DIN: 02153325), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

6. **To appoint Dr K. Srinivasa Rao (DIN: 02257745) as an Independent Director 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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement, Dr. K. Srinivasa Rao (DIN: 02257745), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation."

7. **To appoint Dr. V.Malakonda Reddy (DIN: 00839850) as an Independent Director 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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment

SUJANA METAL PRODUCTS LIMITED

and Qualification of Directors) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement, Dr. V.Malakonda Reddy (DIN: 00839850), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation.”

8. **To approve and adopt the new set of Articles of the Company in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under (including and statutory modifications(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.”

9. **To approve the variation in the terms of appointment of Shri S.Hanumantha Rao, Whole Time Director 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 further to the resolution passed by the shareholders at the 21st Annual General Meeting held on September 24, 2011, approving the appointment of

Shri S.Hanumantha Rao (DIN: 00118801) as Whole-time Director designated as Director-Finance of the Company for a period of 5 years commencing from August 13, 2010, not liable to retire by rotation, and pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of Companies Act, 2013, and the Rules prescribed thereunder, it is hereby approved that during the residual term of his office, Shri S.Hanumantha Rao shall be liable to retire by rotation.”

10. **To approve the variation in the terms of appointment of Shri R.K.Birla, Managing Director 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 further to the resolution passed by the shareholders at the 23rd Annual General Meeting held on September 30, 2013, approving the appointment of Shri R.K. Birla (DIN: 00118776) as Managing Director of the Company for a period of 5 years commencing from January 28, 2013, not liable to retire by rotation, and pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of Companies Act, 2013, and the Rules prescribed thereunder, it is hereby approved that during the residual term of his office, Shri R.K.Birla shall be liable to retire by rotation.”

11. **To approve the Borrowing Limits along with guarantee or counter-guarantee and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 21st Annual General Meeting of the Company held on 24.09.2011 under Section 293(1) (d) of the Companies Act, 1956 and in pursuant to the provisions of section 180(1) (c) and other applicable provisions of the Companies Act, 2013 (including and statutory modifications(s) or re-enactment thereof, for the time being in force) subject to such approvals, consents, sanctions and permissions, as may be necessary, and that

of the Articles of Association of the Company and all other provisions of applicable laws, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company bankers in the ordinary course of business) including rupee equivalent foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, provided however the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

12. To mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 23rd

Annual General Meeting of the Company held on 30th September, 2013 under Section 293(1)(a) of the Companies Act, 1956 and in pursuant to the provisions of section 180(1) (a) and other applicable provisions of the Companies Act, 2013 (including and statutory modification(s) or re-enactment thereof, for the time being in force), and that of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board', which term shall include its Committee(s) constituted for the purpose) to create mortgages/charges on all or any of the movable and/or immovable properties and assets, both present and future, or on the whole or substantially the whole of the undertaking or undertakings of the Company, exclusively or ranking pari-passu with or second or subservient or subordinate to the mortgages/charges, if any, already created or to be created in future by the Company, for securing any loans and/or advances and/or issue of debentures / bonds and/or guarantees and/or any financial assistance or obligations obtained/undertaken/made or that may be obtained/undertaken/made by the Company and/or any one or more of its subsidiary / group companies, both present and that which may be established or acquired by the Company in future, in India or abroad, with power to take over the management, business and undertaking of the Company in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, so that the total outstanding amount at any time so secured shall not exceed the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013 or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, costs, charges, expenses, remuneration and other monies payable in connection therewith AND THAT this consent shall also be the consent of the members under and as contemplated by Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any

SUJANA METAL PRODUCTS LIMITED

statutory modification(s) or re-enactment thereof for the time being in force) and the applicable rules made thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

13. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,00,000/- (Rupees Two Lakh Only) plus reimbursement of actual expenses, to be paid to M/s. Nageswara Rao & Co, (Member Ship No: 000332) Cost Auditors of the Company, for the financial year 2014-2015, as approved by the Board of Directors of the Company, be and is hereby ratified.

BY ORDER OF THE BOARD

PLACE: Hyderabad

R.K.BIRLA

DATE: 28.08.2014

MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48

HOURS BEFORE THE TIME FOR HOLDING THE MEETING. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.

2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. An explanatory statement, pursuant to the provisions of Section 102(1) of the Companies Act, 2013 which sets out material facts and details relating to Special Business to be transacted at the meeting, is annexed hereto.
4. Copy of the draft appointment letters setting out the terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member, without any fee, during normal business hours on working days up to the date of the Annual General Meeting.
5. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Director seeking appointment/re-appointment at the Annual General Meeting, is annexed hereto.
6. The Share Transfer Books and Register of Members of the Company will remain closed on Thursday 25th September, 2014 (One day only).
7. 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.
8. The registration of share transfers and other related correspondence will be dealt with by the Company 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.
9. 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.
10. 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. Members holding shares in physical form can submit their PAN details to the Companies RTA.
 11. Electronic copy of the Annual Report for 2013-14 (including Notice of the 24th Annual General Meeting of the Company along with Attendance Slip and Proxy) 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 a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
 12. Members holding shares in electronic form are requested to update the email id with their respective Depository Participants to receive all the communications in electronic mode.
 13. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for the year 2013-14 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.
 14. Members/Proxies are requested to kindly take note of the following:
 - a. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
 - b. Folio No./DP & Client ID No. may please be quoted in all correspondence with the Company and or the RTA.
15. Board's report is prepared in accordance Ministry of Corporate Affairs vide its General Circular No.08/2014 dated; 04.04.2014 which stated that Board's report in respect of financial years that commenced earlier than 1st April, 2014 shall be governed by the relevant provisions/ Schedules/ rules of the Companies Act, 1956.
 16. Voting through electronic means.

Pursuant to provisions of the Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions set forth in the notice conveying the 24th Annual General Meeting. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The e-voting facility is available at the link www.evotingindia.com.

The e-voting facility will be available on and from 22nd September, 2014 at 9.30 a.m. and ends on 24th September, 2014 at 6.00 p.m.

Shri Y. Ravi Prasada Reddy, Practising Company Secretary, Hyderabad, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

INSTRUCTIONS FOR ELECTRONIC VOTING (E-VOTING)

In case of members receiving e-mail :

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "Shareholders" tab.
- iii. Now, select the "COMPANY NAME (i.e., Sujana Metal Products Limited)" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. For CDSL Clients: 16 digits beneficiary ID,
 - b. For NSDL Clients: 8 Character DP ID followed by 8 Digits Client ID,

SUJANA METAL PRODUCTS LIMITED

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in CAPITAL letters, as recorded in the members register and followed by the number of shareholdings (not exceeding 8 digits) in the PAN field. ● In case the number of shares is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. Eg., if your name is Ramesh Kumar with number of shares is '1' then enter 'RA00000001' in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN (140905043) for the relevant <Company Name (Sujana Metal Products Limited)> on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- iii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
- iv. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.sujana.com within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- v. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy

Please follow all steps from Sl.No. (i) to Sl.No. (xvii) above to cast vote.

Please note that:

- i. The voting period begins on 22nd September, 2014 at 09.30 a.m. and ends on 24th September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 12.09.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock

SUJANA METAL PRODUCTS LIMITED

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item Nos. 5, 6 & 7

Shri J. Ramakrishnan, Dr K. Srinivasa Rao and Dr.V. Malakonda Reddy are independent directors of the Company and have held the positions as such , for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has also amended Clause 49 of the Listing Agreement inter alia stipulating similar conditions for the appointment of Independent Directors by a Listed Company.

Accordingly, it is proposed to appoint Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr K. Srinivasa Rao as Independent Directors under Section 149 of the Act and Clause 49 (revised) of the Listing Agreement to hold office for 5 (five) consecutive years from 30th September 2014 to 29th September, 2019.

The Company has received declarations from Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr K. Srinivasa Rao that they meet with criteria of Independence as prescribed both under sub-section (6) of Section 149, 164 (not disqualified from being appointed as Directors) of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of each of Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr. K. Srinivasa Rao for the office of Directors of the Company.

In the opinion of the Board, Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr. K. Srinivasa Rao fulfills the conditions for appointment as Independent Directors as specified in the Act and Listing Agreement. Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr K. Srinivasa Rao are independent of the management

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr K. Srinivasa Rao as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment for the approval by the shareholders of the Company.

Copy of the draft letters for respective appointments of Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr K. Srinivasa Rao as Independent Directors setting out the terms and conditions are available for inspection of the members at the Registered Office of the Company.

The details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure to the Notice.

Shri J. Ramakrishnan, Dr. V. Malakonda Reddy and Dr. K. Srinivasa Rao are interested in the resolutions set out respectively at Item Nos. 5, 6 & 7 of the Notice with regard to their respective appointments.

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

The Board recommends the Ordinary Resolutions set out in Item Nos.5,6&7 of the Notice for approval of members of the Company.

Item No. 8

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified 183 Sections. Importantly, the substantive sections of the Companies Act, 2013 which deal with the general working of companies stand notified.

The existing Articles of Association (“AoA”) of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956, but some regulations in the existing AoA are no longer in conformity with the Companies Act,



2013. With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered expedient to wholly replace the existing AoA by a new set of AoA.

The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders and also to be placed at the venue of Annual General Meeting for inspection by the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 8 of the Notice.

Your Directors recommend the Special resolution set out in Item No.8 of the Notice for approval of members of the Company.

Item Nos. 9 & 10

Shri R.K.Birla, Managing Director and Shri S.Hanumantha Rao, Whole Time Director, were appointed by the shareholders at their meetings as per the details given below:

Name	Designation	Tenure	Date of shareholders approval
Shri R.K. Birla	Managing Director	Five years with effect from 28th January, 2013.	At the 23rd Annual General Meeting held on 30.09.2013.
Shri S. Hanumantha Rao	Whole Time Director	Five years with effect from 13th August, 2010.	At the 21st Annual General Meeting held on 24.09.2011.

Both Shri S. Hanumantha Rao and Shri R.K. Birla, were appointed as Directors not liable to retire by rotation, during their respective tenure.

The provisions of the Companies Act, 2013 including provisions in relation to appointment of directors have been notified with effect from 1st April 2014. In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall liable to determination by retirement by rotation.

Since the provisions of Section 152(6) are not applicable to Independent Directors, to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Shri R.K.Birla and Shri S.Hanumantha Rao be amended to provide that they shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013.

The other terms and conditions of his appointment including remuneration as approved by the members at the meetings as mentioned above shall remain unchanged.

Shri R.K.Birla and Shri S.Hanumantha Rao, are interested in the resolutions set out respectively at Item Nos. 9&10 of the Notice with regard to their respective appointment.

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

The Board recommends the Ordinary Resolutions set out in Item Nos.9 & 10 of the Notice for approval of members of the Company.

Item No. 11

At the 21st Annual General Meeting of the Company held on 24th September, 2011, the members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed 2500 crores (Rupees Two thousand five hundred crores only).

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Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 11 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.2500 Crore (Rupees Two thousand five hundred crores only).

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution except to their extent of share holding in the Company.

Your Directors recommend the Special resolution set out in Item No. 11 of the Notice for approval of members of the Company.

Item No. 12

Vide the resolution passed by the Members of the Company at 23rd Annual General Meeting of the Company held on 30th September, 2013, the Members had pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, empowered the Board of Directors to hypothecate/mortgage and/or charge in addition to the hypothecations/mortgages and/or charges created by the Company, all or any part of the movable and/ or immovable properties of the Company, wherever situated both present and future, and/ or create a floating charge on all or any part of the immovable properties of the Company, to secure the borrowings of the Company, within the overall ceiling prescribed by the Members of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

In the normal course of business, the Company from time to time is required to avail Term Loans, Working Capital, External Borrowings or any other financial accommodation. A charge on the assets/properties of the Company, both present and future, is normally given as security for such borrowings. As the documents to be executed for the creation of such charge/mortgages from time to time to secure such borrowings, may contain the power to take over the management of the Company in certain events, it is necessary for the shareholders to pass a resolution under section 180(1)(a) of the Companies Act, 2013 for the creation of the mortgage/charge as set out in this resolution.

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company. As the documents to be executed between the Company and the lenders may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution except to their extent of share holding in the Company.

Your Directors recommend the Special resolution set out in Item No. 12 of the Notice for approval of members of the Company.



Item No. 13

The Board of Directors, on recommendation of the Audit committee, has approved through circulation on 27th June, 2014, the appointment and remuneration of the M/s. Nageswara Rao & Co, Cost Accountants, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on a remuneration of Rs. 200,000/- (Rupees Two Lakhs) 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.13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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 in Item No. 13 of the Notice for approval of members of the Company.

BY ORDER OF THE BOARD

PLACE: Hyderabad
DATE: 28.08.2014

R.K.BIRLA
MANAGING DIRECTOR

SUJANA METAL PRODUCTS LIMITED

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

(in pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Y.S.Chowdary	Shri G.Srinivasa Raju	Shri J. Ramakrishnan	Dr. K. Srinivasa Rao	Dr. V. Malakonda Reddy
Director Identification Number	00061477	00132249	02153325	02257745	00839850
Date of Birth	02.06.1961	20.10.1963	20.08.1936	01.08.1934	23.08.1932
Date of Appointment	13.02.1992	18.08.1999	24.07.1995	28.01.2000	05.05.1992
Expertise	Shri Y.S.Chowdary is a Promoter-Director of Sujana Group. He is 53 years old. He has distinguished himself as a technocrat entrepreneur and had played a bigger role in establishing the Sujana Group of Companies. He has been a constant driving force of fostering higher growth amongst all the group companies. Shri Y.S.Chowdary has in depth knowledge and has a deep insight into the domestic and global steel products industry.	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. Mr. G. Srinivasa Raju has joined as one of the promoters in the year 1995	He is an Independent and non-executive director. In August 1994 he was appointed as the Chief Commissioner of Customs and Central Excise, Hyderabad Zone. After his retirement from the Customs & Excise Department, he joined Sujana Group.	He is an Independent, Non-Executive Director of the Company. He is 80 years old. Started his career in July, 1957 as a Probationary Officer in State Bank of India, he was the Superintendent, Foreign Exchange Department, Bangalore Branch. He worked in various capacities such as Accountant, Officer-in-charge, Branch Manager, Deputy Chief Accountant, Chief Manager, General Manager, Finance Director etc., of State Bank of India at various branches across India. He retired from SBI as Chief General Manager in 1994.	He is an independent and non-executive director. He worked in various capacities such as Jr. Engineer (PWD Govt. of A.P.), worked as Lecturer in Osmania University, Assistant Professor in Regional Engineering College, Warangal.
Qualifications	1. Bachelor Degree in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. 2. Master Degree in Engineering with specialization in Machine Tools from P.S.G. College of Technology, Coimbatore.	Post graduate in mechanical engineering with specialization in Machine designs from Roorkee University	Bachelor's Degree (Honors) in Science from Madras University.	1. MA in Mathematics from SV University, Tirupati in 1957. 2. Ph D in Economics from Andhra University in 1985.	1. Bachelor Degree in Engineering (Civil) from Madras University. 2. Masters in Science 3. Ph. D. from Edinburgh University.
Directorship held in other public companies (excluding foreign companies)	1. Sujana Universal Industries Limited 2. Sujana Power (Gangikondan) Limited 3. Sujana Power (Tuticorin) Limited 4. Sujana Holding Limited 5. Sujana Towers Limited 6. Sujana Projects Limited 7. Sujana Energy Limited 8. Sujana Power (India) Limited	1. Sujana Universal Industries Limited 2. Sujana Holdings Limited 3. Sujana Towers Limited 4. Sujana Projects Limited 5. Sujana Power (India) Limited	Sujana Universal Industries Limited (SUIL)	Sujana Universal Industries Limited (SUIL)	Sujana Universal Industries Limited (SUIL)
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/Investors' Grievance Committee) C=Chairman, M=Member	Shareholders' Grievance Committee: 1. Sujana Universal Industries Limited(M)	Investor's Grievance Committee: 1. Sujana Universal Industries Limited(M) 2. Sujana Towers Limited(M)	Audit committee: 1. Sujana Universal Industries Limited(M) Investor's Grievance Committee: 1. Sujana Universal Industries Limited (C)	Audit committee: 1. Sujana Universal Industries Limited (M&C)	Nil
Shareholdings in the Company	32,00,024	Nil	Nil	Nil	Nil
Relationship between directors inter-se	Nil	Nil	Nil	Nil	Nil



DIRECTORS' REPORT

To

The Members of Sujana Metal Products Limited,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of your Company together with the Audited Statement of Financial Accounts for the Financial Year ended 31st March, 2014 comprising of 12 months from 01.04.2013 to 31.03.2014.

1. Company's Financial Results:

The highlights of the financial results are as follows:

(Rs. In Lakhs)

Particulars	2013-2014 (12 Months)	2012-2013 (12 Months)
Net sales/Income from Operation	284441.87	364985.48
Other Income	2116.89	1541.59
Total Income	286558.76	366527.07
Operating Profit before Depreciation & Interest	17952.84	20176.62
Interest	17255.64	18099.73
Depreciation	3828.66	4123.01
Profit /loss before tax	(3131.46)	(2046.12)
Provision for tax	684.10	(20.01)
Profit/loss before extra-ordinary items	(3815.56)	(2026.11)
Extra-ordinary items	0.00	0.00
Profit/loss after extra-ordinary items	(3815.56)	(2026.11)

2. Operations & Overall Performance:

During the year under review, your Company reported total income of Rs.286558.78 Lakhs as against Rs.366527.07 lakhs of previous year. The operating EBIDTA for the year was Rs.17952.84 lakhs as against Rs.20176.62 lakhs in the previous year. After making a provision of Rs.17255.64 Lakhs towards interest and Rs.3828.66 Lakhs towards depreciation, the current financial year closed with a net loss of Rs.3815.56 Lakhs as against net loss of Rs.2026.11 Lakhs last year.

The net worth of the Company as on 31st March, 2014 (consisting of 12 months) is Rs

69360.00 lakhs against Rs. 73192.96 lakhs in 2012-13 (consisting of 12 months). Net worth is decreased by Rs. 3832.96 lakhs due to losses.

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

3. Industrial Relations:

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

4. Prospects:

With the restructuring of its debt and implementation of the CDR package as approved by the CDR Cell, your Company believes that it will gradually be able to progress in its operations towards profitability. Your Company has been extremely fortunate to have full support of its employees during this period and all efforts are being made to garner support from the customers of the Company.

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.

5. Withdrawal of Scheme of Amalgamation:

Scheme of Amalgamation between (1) M/s Lakshmi Gayatri Industries Private Limited, (2) M/s Glade Steel Private Limited, (3) M/s Sri Ganga Steel Enterprises Private Limited and (4) M/s Topaz Steel India Limited with M/s. Sujana Metal Products Limited was

SUJANA METAL PRODUCTS LIMITED

withdrawn by the Company and the order on withdrawal of the Company's petition was issued by the Hon'ble High Court, AP on 17.12.2013.

6. Subsidiaries of the Company:

Details of the subsidiaries are given below:

S. No	Name of the Company	Status	Nate 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	It was incorporated in Hong Kong for carrying on the business of trading of goods and services with accent on procuring raw materials (in bulk) for manufacturing activities of the Company (melting scarp for its rolling division) and sale surplus in the market.	Hong Kong	100%
3	Alpha Ventures Limited	Wholly Owned Subsidiary (WOS)	Alpha Ventures Limited has been promoted to carry out any object not prohibited by the Companies Law (2004) Revision, or as the same may be revised from time to time, or any other law of the Cayman Islands. As per the law prevailing in Cayman Islands	Cayman Islands	100%
4	Optimix Enterprises Limited	Stepdown Subsidiary (WOS of Asian Tide Enterprises Limited)	It was incorporated in Mauritius for carrying on the business or businesses which are not prohibited under the laws for the time being in force in the Republic of Mauritius. This includes (inter alia) to engage in the business of all forms of investments including but not limited to venture capital and private equity investments whether directly, indirectly through any special purpose vehicles or otherwise.	Mauritius	100%

Your Company has availed the general exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiary Companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956, to the Balance



Sheet of your Company. The said exemption is granted vide Circular No. 5/12/2007-CL-III issued by Ministry of Corporate Affairs dated 08.02.2011.

Accordingly, the said documents of subsidiary Companies are not being attached with the Balance sheet of the Company. A gist of the financial performance of the subsidiary Companies is contained in the report. The annual accounts of the subsidiary Companies are open for inspection by any member/investor at the Company's Registered office and the Company will make available these documents and the related detailed information upon request by any investor of the Company or any investor of its subsidiary Companies who may be interested in obtaining the same. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is annexed to this Report.

In terms of Clause 32 of the Listing Agreement with the Stock Exchanges and as prescribed by Accounting Standard 21 notified by the Government of India under Section 211(3C) of the Companies Act, 1956, the Audited Consolidated Financial Statements are annexed.

7. 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 provisions of the Clause 49 (as amended) of the Listing Agreement pertaining to Corporate Governance. A detailed report on Corporate Governance is attached and forms part of this report. Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement is attached to this report.

8. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report forms part of the Annual Report.

9. Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Shri Y.S. Chowdary and Shri G. Srinivasa Raju, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

In terms of the Companies Act, 2013 ('Act') Independent Directors are required to be excluded while computing the number of directors to retire by rotation. Accordingly, it is proposed to change the terms of office of Shri S. Hanumantha Rao and Shri R.K. Birla from non-retiring to retiring by rotation.

As of the date of this Report, Shri J. Ramakrishnan, Dr. K. Srinivasa Rao and Dr. V. Malakonda Reddy are Independent Directors as per Clause 49 of the Listing Agreement and were appointed under the Companies Act 1956 as Directors liable to retire by rotation. In order to give effect to the applicable provisions of sections 149 and 152 of the Act, it is proposed that these Directors be appointed as Independent Directors, to hold office for five consecutive years, for a term up to September 29, 2019.

Further Shri. Chintapalli Srinivasu was appointed as IDBI Nominee Director of the Company in place of Shri. Ashok Kumar De, w.e.f. 30.05.2014 and Shri Vimlesh Kumar was appointed as PNB Nominee Director of the Company w.e.f. 28.08.2014.

The Board places on record its appreciation for the valuable services rendered by Shri Ashok Kumar De during association as a Nominee Director of the Company.

10. Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating management, confirm that-

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

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- b. that they have selected such accounting policies and applied them consistently and made judgments 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 loss of the Company for that year;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That they have prepared the annual accounts on a going concern basis.

11. Disclosures under Section 217(1)(d) of the Companies Act, 1956:

Material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report:

S.No	Particulars	Change (Yes/No)
(a)	The purchase, sale or destruction of a plant or the destruction of inventories.	No
(b)	A material decline in the market value of inventories or investments	No
(c)	The expiration of a patent which had given the Company a virtual monopoly in the sale of its principal products.	No
(d)	The settlement of tax liabilities of prior period and the settlement of any legal or other proceedings either favourably or adversely, if they were pending at the balance-sheet date.	No
(e)	The institution of importance proceedings against the Company.	No
(f)	Material change in the capital structure in the resulting from the issuance, retirement or conversion of share capital or stock .	No
(g)	The disposal of a substantial part of the undertaking or the profits or loss whether of a capital or revenue nature.	No
(h)	Alteration in the wage structure arising out of Union Negotiations.	No
(i)	Incurring or any reduction of long-term indebtedness.	No
(j)	Entering into or cancellation of contracts.	No
(k)	Refund of taxes or completion of assessments	No

12. Statutory Auditors:

The Company's Statutory Auditors, M/s CRK & Associates, Chartered Accountants [Registration No.010004S], Hyderabad will retire at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment.

The Company has received necessary certificates from the Auditor pursuant to Section 139 and 141 of the Companies Act, 1956, regarding their eligibility for re-appointment. Accordingly, the approval of the Shareholders for the re-appointment of M/s. CRK & Associates, Chartered Accountants as Auditors of the Company is being sought at the ensuing Annual General Meeting.

Your Board recommends the appointment of M/s. CRK & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

13. Cash Flow Analysis:

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31st March, 2014 is included in the annual accounts.



14. Personnel:

The relations with employees continued to be cordial throughout the year. The Board appreciates the willful co-operation and team spirit in the Management Cadre and other employees of the Company.

Information required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is annexed to this report.

15. Human Resource Management:

The Company believes that Human Resource is its most valuable resource, which has to be nurtured well and equipped to meet the challenges posed by the dynamics of Business Developments. The Company has a policy of continuous training of its employees both in-house. The staff is highly motivated due to good work culture, training, remuneration packages and the values, which the company maintains. Your Directors would like to place on record their deep appreciation of all employees for rendering quality services and to every constituent of the Company be its customers, shareholders, regulatory agencies or creditors. Industrial relations have remained harmonious throughout the year.

16. Dividend:

In the absence of profit, your directors are unable to declare any dividend for the year 2013-2014.

As per the terms of issue of Cumulative Redeemable Preference Shares (CRPS) vide letter No:2592/SASF/CBO and 5938/SASF/CBO dated 28.06.2005 and 29.10.2005 respectively, your Company is required to pay the dividend of Rs. 14.93 Lakhs (Previous year Rs.14.93 Lakhs) which represents 1% on 14,93,365 Cumulative Redeemable Preference Shares(CRPS) of Rs.100/- each to the holders of Cumulative Redeemable Preference Shares for the year under review, Further your Company also provided a provision of dividend tax to the extent of Rs. 2.43 Lakhs (Previous year Rs.2.42 Lakhs).

17. 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.

18. 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 the covered.

19. Listing of Company's Securities:

Your Company's shares are currently listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited.

20. Dematerialization of Shares:

Your Company shares have been made available for dematerialization through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL).

21. Fixed Deposits:

Your Company has not accepted any fixed deposits from the public and is therefore, not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975 and the provisions of the Companies Act,2013 are not applicable.

22. Cost Auditors:

M/s. Nageswara Rao & Co, Cost Accountants [Firm No.000332], Hyderabad, have been duly appointed as Cost Auditors for conducting audit of Cost Accounting Records in respect of steel products manufactured by the Company for the year 2014-15. They were also the cost auditors for the previous year 2013-14. 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

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members to the remuneration proposed to be paid to the cost auditors for the financial year ending 31st March, 2015.

The Cost Audit Reports are required to be filed within 180 days from the end of the financial year. The Cost Audit Reports for the financial year ended March 31, 2013 were filed within the prescribed period. The Cost Audit Reports for the financial year ended March 31st, 2014 will be filed within the prescribed time period.

23. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo:

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given in the Annexure 1 and forms part of this report.

24. Corporate Social Responsibility:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility Committee to monitor the Corporate Social Responsibility Policy of the Company from time to time and to recommend the amount of expenditure to be incurred on the activities related to CSR.

Your Company is committed socially not only to compliances of all the statutory laws and regulations but also actively participates in the improvement of quality of life of society at large. Your Company has a strong sense of community responsibility. Your Company follows the policy which is more and more beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around its area of operation thereby promoting upliftment of people in varied arenas of life.

Your Company has retained collective focus

on the various areas of corporate sustainability that impact people, environment and the society at large. Founded on the philosophy that society is not just another stakeholder in its business, but the prime purpose of it, your Company, across its various operations is committed to making a positive contribution.

25. Code of conduct for Independent Directors:

As the New Companies Act, 2013 has been made effective from 01st April, 2014 which replaces the erstwhile Companies Act, 1956 (to the extent of notified sections) and the provision of Section 149(8) requires that the company and independent directors shall abide by the provisions specified in Schedule IV (i.e Code of Conduct for Independent Directors).

Your Company has adopted the Code of Conduct for Independent Directors vide resolution passed by the Board of Directors under Section 149(8) of the Companies Act, 2013 at their meeting held on 30.05.2014.

26. Whistle Blower Policy and Vigil Mechanism:

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

27. Reconstitution of various committees of Board of Directors:

Board of Directors of the Company, in accordance with Section 177 and 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and amended Clause 49 of the Listing Agreement, has reconstituted and widened the various Committees of the Board.



Accordingly, the Company has renamed its existing Remuneration Committee as Nomination and Remuneration Committee and have delegated to it powers as required under section 178 of the Act. Pursuant to Clause 49 (VI) of the listing agreement, your Company has constituted Risk Management Committee for framing, implementing and monitoring the risk management plan for the Company.

The scope of Audit Committee has been widened so as to bring it in accordance with the requirement of the Section 177 of the Companies Act, 2013. The Company has also constituted a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013.

28. Explanations to qualifications in Auditors' Report:

There are no qualifications in the Auditors' Report dated 30th May, 2014. Your Board of Directors wish to state that the relevant notes forming part of the Company's Accounts are self-explanatory and hence do not require any further explanation from the Board.

29. Appreciations:

The Board of Directors of the Company extends their sincere appreciation to the Government, Bankers, Financial Institutions and others for their kind support. On behalf of the Company, the Board of Directors thanks the Employees for their valuable efforts and the shareholders for their undaunted faith in the Company.

BY ORDER OF THE BOARD

R.K.BIRLA
MANAGING DIRECTOR

S.HANUMANTHA RAO
DIRECTOR (FINANCE)

PLACE: Hyderabad
DATE: 28.08.2014

SUJANA METAL PRODUCTS LIMITED

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1976 and forming part of the Directors' Report for the year ended 31st March, 2014.

Name of the Employee	Age	Designation	Remuneration Received (Rs in Lakhs)	Qualifications	Experience (In Years)	Date of Commencement of Employment	Last employment held
R.K. Birla	62 years	Managing Director	120.36	Bachelor Degree Course in arts and Master of Business Administration (MBA) from BITS Pilani	41 years	05.05.1992	Poddar Products Limited as Chief Executive

Notes:

- The terms of employment of Shri R.K. Birla were approved by the members of the Company.
- The remuneration as shown above includes salary, house rent allowance and contribution to Provident Fund.
- Shri R.K. Birla is not a relative of any Director or Manager of the Company.

Summary of Financial Information of Subsidiaries pursuant to General Exemption availed under Section 212(8) of the Companies Act, 1956 (as per MCA Circular No. 5/12/2007-CL-III dated: 08.02.2011)

(Rs in Lakhs)

Name of the Subsidiary	Share capital	Reserves	Total Liabilities	Total Assets	Investment Included in total assets (Except for investment in subsidiaries)	Turnover	Profit before taxes	Provision for taxation	Profit after taxes	Proposed Dividend
Glade Steel Private Limited	1318.84	258.59	1727.20	1727.20	-	-	6.35	3.78	2.57	-
Asian Tide Enterprises Ltd	13575.56	3582.30	85450.96	85450.96	-	19798.38	193.76	31.83	161.93	-
Alpha Ventures Limited	2320.71	9774.25	54425.10	54425.10	-	33088.27	873.60	-	873.60	-

BY ORDER OF THE BOARD

R.K.BIRLA
MANAGING DIRECTOR

S.HANUMANTHA RAO
DIRECTOR (FINANCE)

PLACE: Hyderabad
DATE: 28.08.2014



ANNEXURE - 1

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY:

a.	Energy Conservation	:	Based on the internal research for reducing the energy cost, the company has completed modification of the billet charging facilities to 'hot charging' at one of its plants at Shadnagar, Hyderabad. Work in respect of converting the Bollaram facility also to 'hot charging' is under process. Hot charging reduces the fuel consumption in the reheating furnaces and also reduces burning loss.
b.	Additional investment and proposals if any, being implemented for reduction of consumption of energy	:	Rs.60 crores.
c.	Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production	:	Upon completion of hot charging at Shadnagar facility, the cost of production has come down by 1% and similar benefit is also expected from the Bollaram facility upon completion of hot charging. Product rationalization and de-bottle necking is expected to improve the productivity by about 2% overall.
d.	Total energy consumption and energy consumption per unit of production	:	As per Form A.

B. TECHNOLOGY ABSORPTION:

e.	Efforts made in technology absorption	:	As per form B.
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C. FOREIGN EXCHANGE EARNINGS & OUTGO:

f.	Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans	:	The Company has made all efforts to achieve continuous export business growth. With the sound reputation that is gradually being built in international markets, the company hopes to improve export business performance regularly in the coming years.
g.	Total foreign exchange earned and used	:	Rs. 26051.70 lakhs earned, Rs. 7458.99 lakhs used for import of raw material and traded goods and traveling expenses

SUJANA METAL PRODUCTS LIMITED

FORM A (See Rule 2)

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

Electricity - purchased for manufacture of ingots and re-rolled products:

	2013-2014	2012-2013
1. Units (KWH)	33409698	42502794
Total amount (Rs.)	286359676	272707709
Rate/units (Rs)	8.57	6.42
2. Coal		
Quantity (Tonnes)	20202.492	22493.655
Total Cost (Rs.)	148021430	131923912
Average Rate (Rs.)	7327	5865
3. Furnace Oil		
Quantity (Ltr)	69201.459	173561.06
Total Cost (Rs.)	4868323	10856569
Average Rate (Rs.)	70.35	62.55

B. CONSUMPTION PER TONNE OF PRODUCTION OF RE-ROLLED PRODUCTS:

Electricity (KWH)	165.60	182.64
Coal (Tonnes)	0.10	0.10
Furnace Oil (Liters)	0.34	0.75

FORM - B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company:

The Company did internal study on the benefits of "hot charging" of billets from the Casting division directly for rolling and worked out the lay out logistics and undertook cost benefit analysis. It was established that hot charging of billets would reduce the operational costs significantly.

2. Benefits derived as a result of the above R&D:

The Advantages of item1 (A) of above:

- ❖ Energy savings, reduced emissions and reduced water utilisation.
- ❖ Improved working conditions.

- ❖ High yield rates, in excess of 95%.
- ❖ High productivity.

3. Future plan of Action:

The Company has finalized design and layout modifications for "hot charging" of billets at the second location at Bollaram. This will be completed in the year 2014-15, at a cost of about Rs. 60 Crores.

4. Technology Absorption, Adoption and Innovation:

1. Efforts in brief made towards technology absorption, adoption and Innovation	Hot charging facilities at Shadnagar Unit.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution	Reduced operational cost and improved productivity.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished	Not Applicable
a) Technology imported	
b) Year of import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not been taken place, reasons there of and future plans of action.	

BY ORDER OF THE BOARD

R.K.BIRLA
MANAGING DIRECTOR

S.HANUMANTHA RAO
DIRECTOR (FINANCE)

PLACE: Hyderabad
DATE: 28.08.2014



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49(IV) (B) & (F) of the listing agreement your directors wish to report as follows:

a) Industry Structure and Developments:

Indian Steel Industry has grown from 76 Mt in 2012 to 81 Mt in 2013, a growth of 6.57%. The Indian Steel Industry plays an important role in the country's economic growth. The growth of the Indian Steel Industry looks positive. However, it is impeded to some extent higher lending rates resulting in to a higher cost of capital, thereby impacting margins as well as capital expenditure plans.

A wide range of products are manufactured by Engineering Industries in India. The developments of this sector is dependent upon the development of core and infrastructure sectors. The engineering segment is highly competitive in view of tough competition from foreign companies / agencies and giant public / private sector undertakings.

b) Steel Industry Scenario

In 2013 world steel demand grew higher than estimates due to a stronger than expected performance in the developed world in the second half of the year. In particular, the recovery in the United States gained strength. In addition the downturn in the EU we now expect that steel demand in the Eurozone will move into positive growth in 2014. On the other hand, many emerging economies continue to struggle with structural issues and financial market volatility. This along with China's deceleration, is the reason for our slightly lower global growth rate forecast for 2014. In short, the global steel demand recovery continues but growth is stabilizing at a lower rate with continued volatility and uncertainty leading to a challenging environment for steel companies.

After growth of 6.1% in 2013 with support from government infrastructure investment, apparent steel use in China is expected to slow to 3.0% growth in 2014 to 721.2 Mt as the Chinese government's efforts to rebalance the economy continues to restrain investment

activities. In 2015, steel demand growth is expected to further decelerate to 2.7%. In India, steel demand is expected to grow by 3.3% to 76.2 Mt in 2014, following 1.8% growth in 2013, due to an improved outlook for the construction and manufacturing sectors, although this will be constrained by high inflation and structural problems. Steel demand is projected to grow by 4.5% in 2015 supported by the expectation that structural reforms will be implemented.

c) Opportunities & Threats :

The Indian Steel Industry is the fourth largest Crude Steel producer in the world for the last three years i.e. 2011, 2012 & 2013. It is poised for greater growth in the future as the consumption of steel increases in India.

Opportunities

- Strong growth in heavy industry e.g. infrastructure, oil & gas.
- The strong growth expected in Power Sector, additional generation capacity of 100,000 megawatts proposed to be added in the 12th Five Year Plan (2012 – 2017).
- Fourth largest iron ore reserves after Russia, Brazil & Australia.
- The 3rd largest pool of technical manpower next to USA & CIS.
- Increased investment by State Governments in water & sewerage pipes.
- Increasing popularity of Pre-Engineered Buildings (PEB) in industry and construction.
- Increasing production in auto segment fuelling increase of steel consumption.
- Growing domestic demand, by exploring rural market and through rapid urbanization.

Threats

- Global economic slowdown. However signs of revival are there.
- Technological change / obsolescence
- Substitute – Steel is being replaced by Aluminum in auto industry and by PVC in pipe industry.
- Increasing power tariff.
- China remaining a net exporter.

SUJANA METAL PRODUCTS LIMITED

- Protection in West.
- Dumping by producers from some of the countries.
- Higher duties and taxes
- Fluctuating market demand due to erratic infrastructure development, construction and industrial production

d) Outlook

The outlook in the domestic steel industry looks positive. The country has acquired an important position on global steel map. The Indian steel industry has giant steel mills up-gradation and modernization of old steel mills has resulted in improved efficiency. It has to adopt the latest technological developments in the steel making and keep pace with the global steel industry.

The per capita steel consumption in the country grew from 60 Kg in 2012-13 to about 63 Kg in 2013-14 a growth of 5.0% against the global average per capita consumption of 215 Kg. In the coming years the consumption is expected to grow at higher rates as the GDP growth picks up to the earlier levels of 8 to 10%.

However, challenges before Indian steel industries are also there and need serious attention. Rising prices of key raw material like iron ore and coking coal, fall in demand from automobile have posed major threats. Despite this, the future of Indian steel industry looks bright as per capita consumption is poised to grow substantially from the current level of 63 Kg. Further, India has abundant mineral resources. With acquisition of coking coal mines by Indian companies in countries like South Africa & Australia, India is poised to grow.

A decisive mandate in the General Elections has re-kindled hopes of an economic revival. Infrastructure is the prime focus area of the newly formed Government and the Government is undertaking proactive policy initiatives for Infrastructure development and industrial growth, which will accelerate steel demand in line with economic growth.

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) Risks and Concerns :

The domestic steel industries run the risk of normal industry cycle as under:

- High cost of capital
- High cost of basic input and services
- Delay in absorption in technology by existing units.
- High logistics cost
- Poor quality of basic infrastructure like road, port etc.
- Lack of expenditure in R&D
- Unremunerative prices
- Non availability of adequate coking coal
- Inadequate access to good quality of iron ore.
- High cost of energy

The Company is exposed to the normal industry risk factors and manages these risks by prudent business and risk management practices. The Company has made efforts to lower the cost of steel production by reducing energy consumption, improving productivity and maximizing production of Special steels.

f) Internal Control Systems and their adequacy:

Effective internal operational control systems and regular internal audit mechanisms to monitor and review the same under the overall control and supervision of the Audit Committee of Directors are in place and functioning well. Efforts for continued improvements are being consistently made in this regard.

g) 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.



h) Segment Wise Performance:

The Company primarily engaged in the manufacturing and trading of steel & Steel products business, which in the contest of Accounting Standard- 17, is considered only significant business segment.

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

i) Statutory Compliance:

The Company has complied with the various provisions of the Companies Act, 1956, the SEBI regulations and provisions of the Listing Agreements. Compliance certificates are obtained from various units of the Company and the Board is informed of the same at every Board meeting.

j) 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.

k) Corporate Social Responsibility (CSR)

Sujana Foundation, the CSR arm of the Sujana Group was established in 2007 to serve the society and community in the sectors of agriculture, education, management, healthcare, rural development, rural entrepreneurship and poverty elevation. Sujana Group has integrated the real mechanisms of CSR accountability, sustainability, transparency and responsibility into its core business strategy. Over the years, the Sujana Group is sharing its success and resources with those less privileged in society through community involvement.

The Company has constituted a Committee viz., Corporate Social Responsibility (CSR) Committee also to comply the provisions of the Companies Act, 2013.

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.

SUJANA METAL PRODUCTS LIMITED

REPORT ON CORPORATE GOVERNANCE

(As per Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

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 Clause 49 of the Listing agreement, the details of which are given below:

2. Board of Directors

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.

(i) *Composition of Board of Directors*

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. The Board of Directors comprises of 9(Nine) Directors, out of which one (1) is Managing Director, two (2) are Promoter and Non-Executive Directors, Three (3) of them are Independent and Non-Executive Directors, one (1) is Executive Director and Two (2) are Nominee Director. 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 3 which is in compliance with the requirements of Clause 49 of the Listing agreement. The number of Non-Executive Directors is more than 50% of the total number of Directors.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956/2013.

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other Companies.

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 details of composition of the existing Board of Directors the attendance record of the Directors at the Board Meetings held during the financial year 2013-14 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*	Committee positions in other companies****		No of Board Meetings attended out of 4 meetings during the year	Attended last A.G.M
			As Chairman	As Member		
Executive Director- Non-Promoter Group						
1.	Shri R.K. Birla Managing Director	4	-	-	2	Yes
2.	Shri S. Hanumantha Rao Director (Finance)	11	-	3	4	Yes
Promoter-Non-Executive Director						
3.	Shri Y.S. Chowdary	11	-	1	1	No
4.	Shri G. Srinivasa Raju	11	-	2	4	Yes
Independent & Non-Executive Directors						
5.	Shri J. Ramakrishnan	1	1	2	3	No
6.	Dr. K. Srinivasa Rao	1	1	1	2	No
7.	Dr. V. Malakonda Reddy	3	-	-	4	Yes
Nominee Directors						
8.	Shri Ashok Kumar De**	1	-	1	3	No
9.	Shri Ch Srinivasu** Nominee from IDBI	1	-	-	-	N.A.
10.	Shri Vimlesh Kumar*** Nominee from PNB	1	-	-	-	N.A.

* including private limited Companies

**** Only Audit and Shareholder's Grievance Committees considered.

Change in Composition of Board of Directors since the date of last AGM held on 30th September, 2013:

** Shri. Chintapalli.Srinivasu was appointed as IDBI Nominee Director of the Company in place of Shri. Ashok Kumar De, w.e.f.30th May,2014.

***Shri Vimlesh Kumar was appointed as PNB Nominee Director of the Company w.e.f.28th August,2014.

The Board of Directors has appointed Dr. V. Malakonda Reddy as an Independent & Non-Executive Chairman of the Board w.e.f. 28th August, 2014 in the place of Shri Y.S. Chowdary.

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.

Four (4) Board Meetings were held during the year 2013-14 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

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28th May, 2013, 13th August, 2013, 11th November, 2013 and 12th February, 2014

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 information as required under Annexure IA to Clause 49 was being made available to the Board.

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.

3. Board Committee

In addition to functional Committees, your Board has constituted the following Committees under the mandatory and nonmandatory requirements of the Clause 49 of the Listing Agreement.

(i) **Audit Committee**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013 (earlier Section 292A of the Companies Act, 1956). The terms of reference, role and powers of the Audit Committee are as mentioned in Clause 49 II (A) to (E) of the Listing Agreement entered into with the Stock Exchanges read with Section 177 of the Companies Act, 2013 (earlier Section 292A of the Companies Act, 1956) and includes overseeing of the Company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

Composition and Procedure of the Audit Committee

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

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

The Audit Committee of your Company comprises of Three (3) members, out of which Two (2) are independent and non-executive directors and one (1) Executive Director. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956, Section 177 of the Companies Act, 2013 and of Clause 49 of the Listing Agreement.

During the financial year 2013-14, the audit committee met 4 times on the following dates.

28th May, 2013, 13th August, 2013, 11th November, 2013 and 12th February, 2014.

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 Member	Designation	No. of Meetings attended
1.	Dr. K.Srinivasa Rao	Member & Chairman	2
2.	Shri S. Hanumantha Rao	Member	4
3.	Dr.V.Malakonda Reddy	Member	4
4.	Shri Ashok Kumar De*	Member	3

Change in Composition of Audit Committee since the date of last AGM held on 30.09.2013:

*IDBI has withdrawn the nomination of Shri Ashok Kumar De w.e.f 30.05.2014.



Audit Committee meetings are attended by the Vice-President (Finance & Accounts), Representatives of Statutory Auditors, representatives of Cost Auditors and Representatives of Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

(ii) Nomination and Remuneration Committee (Formerly 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 revised Clause 49 of the Listing Agreement, 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:

SI.No.	Name of the Member	Designation
1.	Dr. K. Srinivasa Rao	Member & Chairman
2.	Shri J.Ramakrishnan	Member
3.	Dr. V. Malakonda Reddy	Member

During the year one Remuneration Committee meeting was held on 13.08.2013 and there were no changes in composition of Nomination and Remuneration Committee since the date of last AGM held on 30th September, 2013.

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	102.00	--	--	18.36	120.36
Shri S. Hanumantha Rao	13.80	--	--	0.60	14.40

Sitting Fee details:

(Rs.)

Sl. No.	Name of the Director	Sitting fee paid During the year
1	Dr. K. Srinivasa Rao	40,000
2	Dr.V.Malakonda Reddy	80,000
3	Shri J. Ramakrishnan	30,000
4	Shri Ashok Kumar De (Nominee from IDBI Ltd.)	60,000
	Total	210,000

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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 share held by the Non-Executive Directors as on 31st March, 2014.

Name of the Director	Designation	No. of Shares held
Shri Y.S. Chowdary	Promoter and Non-Executive Director	32,00,024
Shri G. Srinivasa Raju	Promoter and Non-Executive Director	0
Shri J. Ramakrishnan	Independent and Non-Executive Director	0
Dr. V. Malakonda Reddy	Independent and Non-Executive Director	0
Dr. K. Srinivasa Rao	Independent and Non-Executive Director	0
Shri Ashok Kumar De	IDBI Nominee	0

iii. Shareholders' Grievance Committee

Scope of the Shareholders' Grievance Committee

The Shareholders' Grievance Committee of your Company shall look into the redressing of shareholder and investor complaints like transfer of shares, 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 three (3) members.

No Shareholders' Grievance Committee Meeting was held during the financial year 2013-2014.

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

Sl.No.	Name of the Director	Designation
1.	Shri G.Srinivasa Raju	Member & Chairman
2.	Shri Y.S.Chowdary	Member
3.	Shri S.Hanumantha Rao	Member

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.

No. of Shareholders Complaints received so far during the year:

Nature of queries/complaints	Received	Resolved	Un resolved
No. of requests for change of Address	3	3	0
No. of requests for transmission	1	1	0
Non receipt of share certificates/bonus shares	0	0	0
Revalidation of Dividend warrants	0	0	0
Letters from SEBI & Stock Exchanges	2	2	0
Issue of Duplicate Share Certificates	0	0	0
Non receipt of Demat Confirmations/ Rejections	0	0	0
Others	7	7	0
TOTAL	13	13	0



iv. Share Transfer Committee

The Share transfer committee comprises of Shri Y.S.Chowdary, Shri G.Srinivasa Raju and Shri R.K.Birla. Shri G.Srinivasa Raju is the Chairman of the Committee. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the Share Transfer Committee met 6 (Six) times.

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

v. Management Committee

The Management Committee comprises of Shri Y.S.Chowdary*, 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, 1956. During the year under review the management committee met 26 (Twenty Six) times.

*Shri Y.S. Chowdary resigned from the membership of Management Committee w.e.f. 28.08.2014.

vi. 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 30th May, 2014 with the following Directors:

1. Shri G. Srinivasa Raju, Promoter & Non-Executive Director
2. Shri S. Hanumantha Rao, Director (Finance)
3. Dr. K. Srinivasa Rao, 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".

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

vii. Risk Management Committee pursuant to Clause 49 (VI) (as per revised Listing Agreement):

As per revised Clause 49(VI) of the Listing Agreement entered by the Company with the Stock Exchanges, 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 30th May, 2014:

1. Shri G. Srinivasa Raju, Promoter & Non-Executive Director

SUJANA METAL PRODUCTS LIMITED

2. Shri S. Hanumantha Rao, Director (Finance)
3. Dr. K. Srinivasa Rao, 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 :

i. 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.	23rd A.G.M	30th September, 2013	Hotel Sitara Residency, Beside Chandana Brothers, Ameerpet, Hyderabad - 500 016	11.00 a.m	<ol style="list-style-type: none"> 1. Re-appointment of Shri R.K.Birla, Managing Director of the Company. 2. To fix the remuneration of Shri R.K.Birla, Managing Director of the Company w.e.f: 01.04.2013 for a period not exceeding three years. 3. Enhancement of the remuneration of Shri S.Hanumantha Rao, Director (Finance) of the Company w.e.f: 01.04.2013. 4. Lease or transfer the whole or substantially whole of the undertaking of the Company under the provisions of Section 293(1)(a) of the Companies Act,1956.
2.	22nd A.G.M	22nd September, 2012	"Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500034.	11.30 A.M	<ol style="list-style-type: none"> 1. To fix remuneration of Shri. R.K. Birla, Managing Director of the Company. 2. To make any loan and/or to make investment and/or to give any guarantee and/or to provide security U/S 372A of the Companies Act, 1956. 3. To lease, or transfer the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a) of the Companies Act,1956. 4. To shift the Registered Office of the Company from the state of Andhra Pradesh to Tamilnadu. 5. To reclassify the Authorised Share Capital of the Company and to alter Memorandum and Association accordingly. 6. To further issue of Share Capital.
3.	21st A.G.M	24th September, 2011	"Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500034.	11.30 A.M	<ol style="list-style-type: none"> 1. Re-appointment of Shri S.Hanumantha Rao, Director (Finance) of the Company. 2. Amendment to Articles of Association of the Company. 3. Increase of authorized share capital of the Company from Rs. 200 crores to Rs. 250 crores. 4. Issue of further equity shares and /or any securities linked to, convertible into or exchangeable for equity shares for an aggregate amount not exceeding Rs. 500 crores.

(ii) No Extra-ordinary General Meeting of the shareholders was held during the year.



(iii) 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 30th September, 2013 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 293(1)(a) of the Companies Act, 1956, to lease, or transfer the whole, or substantially the whole of the undertaking(s) of the Company by way slump sale.	No. of votes cast in favour of the resolution: 7,14,12,276 No. of votes cast against the resolution: 305	Shri Y. Ravi Prasada Reddy Practising Company Secretary FCS No.5783 C.P.NO.5360

(iv) Details of special resolution which is proposed to be passed through postal ballot : Yes, for approval of CDR Scheme by members and to issue equity shares on preferential basis to the promoter group through separate postal ballot notice.

5. Disclosures:

(i) Materially Significant related party transactions:

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management, etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

(ii) Details of Statutory Non-compliances:

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any material related to capital markets, during the last three (3) years.

(iii) Risk Management:

The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the financial year 2014-15.

(iv) Disclosure on Requirements of the Listing Agreement:

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during last three years.

(v) Adoption of non mandatory requirements:

Besides mandatory requirements under Clause 49 of the Listing Agreement your Company has voluntarily constituted a remuneration committee to consider and recommend the remuneration of executive directors. The Company also endeavors to fully comply with all other non mandatory requirements of Clause 49 as well.

(vi) It is confirmed that no personnel has been denied access to the audit committee.

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6. Other Disclosures as per Clause 49 of the Listing Agreement:

(i) Clause 49(I)(D): Code of Conduct

The Company has adopted a Code of Conduct as required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, 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.

(ii) Clause 49(IV)(B): Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently and comply with material aspects with the accounting standards notified under in Section 211 (3C) of the Companies Act, 1956. Significant Accounting policies is provided elsewhere in the Annual Report.

(iii) Clause 49(IV)(E)

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

(b) None of the non-executive director except Shri Y.S. Chowdary (holding 3200024 equity shares) is holding any shares in the Company.

(iv) 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 Clause 49 of the Listing Agreement with Stock Exchanges.

(v) Clause 49(IV)(G): Shareholders Information

(a) Appointment/Re-appointment of Directors: The brief resume of directors retiring by rotation and appointment of Independent 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.

(vi) Clause 49(V): CEO&Vice-President (Finance & Accounts) Certification:

Certification by Chief Executive Officer and Vice-President (Finance & Accounts) of the Company as required under Clause 49 of the Listing Agreement is provided elsewhere in this Annual Report.

(vii) Prevention of insider trading: [Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 1992]

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duly Amended).

7. Means of Communication

(i) Publication of Quarterly Financial Results in daily newspapers – Andhra Prabha or Financial Express or Business Standard and the same will be updated in the Company's Website at www.sujana.com



- (ii) Furnishing the Quarterly 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 permitted manner and e-mail.
- (iv) **Company's Corporate Website :**
The Company's website www.sujana.com is a comprehensive reference on Sujana Metal Products Limited's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The Section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The Section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.
- (v) **NSE Electronic Application Processing System (NEAPS):**
NEAPS is a web based application designed by NSE for corporates. The Shareholding pattern and Corporate Governance Report are also filed electronically on NEAPS.
- (vi) **BSE Online (Listing.bseindia.com):** It is a web based application designed by BSE for corporates. The Shareholding pattern, Corporate Governance Report and Financial Results are also filed electronically as pdf attachments.
- vii) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' 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.
- viii) **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.
- ix) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

8. General Shareholders Information

(i) Details pursuant to the 24th Annual General Meeting

1. Date	30th September, 2014
2. Time	11.00 a.m
3. Venue	"Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500034, Telangana.
4. Financial year	2013-2014, (consisting of 12 months from 01.04.2013 to 31.03.2014)
5. Book Closure Date	Thursday 25.09.2014 (One day only)
6. Dividend Payment Date	Not Applicable
7. E-voting facility	www.evotingindia.com (opens at 9:30 A.M. on 22nd September, 2014 and closes at 6:00 P.M. on 24th September, 2014 and the cut-off date is 12th September, 2014)

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(ii) Details pursuant to Listing of Securities:

The Company's Equity shares are listed on the following 3 Stock Exchanges in India :

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
2. National Stock Exchange of India Ltd
Exchange Plaza, Bandra-Kurla Complex,
Bandra(E), Mumbai - 400 051.
3. Madras Stock Exchange Limited
Exchange Building, P. Box No. 183,
11, 2nd Line Beach, Chennai-600001.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial years 2014-15.

The Company has applied for delisting of Global Depository Receipts (GDRs) on the Luxembourg Stock Exchange since the total GDRs are converted into equity shares.

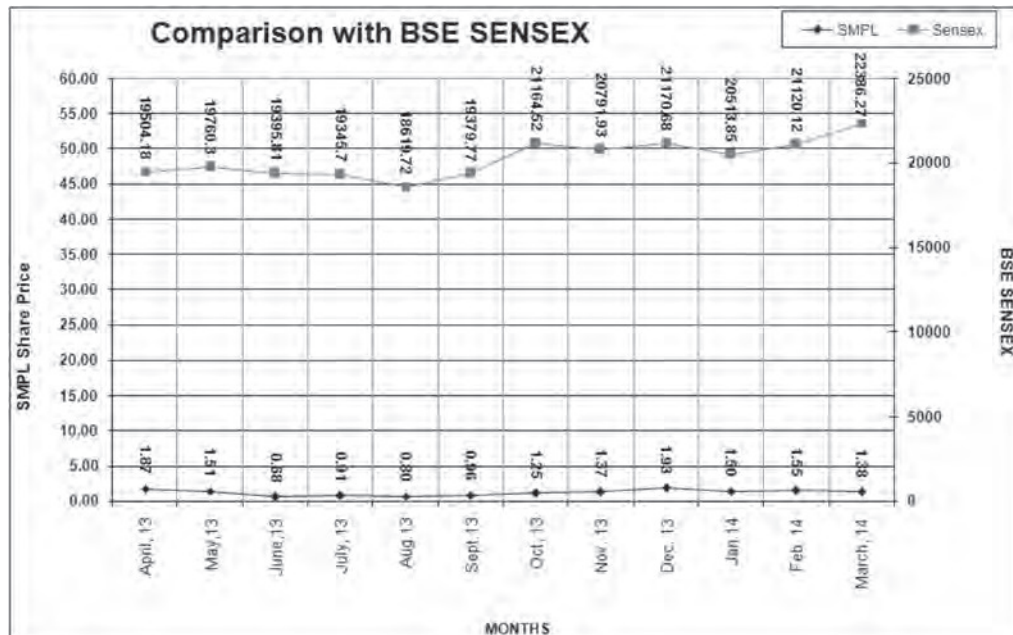
(iii) Stock Code/Symbol -

- | | | |
|---|---|-----------------------|
| (a) BSE Scrip Code/NSE Symbol | : | 513414/SMPL |
| (b) Demat ISIN in NSDL and CDSL for equity shares | : | INE215G01021 |
| (c) Corporate Identity Number (CIN) | : | L28120TG1988PLC008610 |

(iv) Market Price Data-

The monthly high and low stock prices during the financial year 2013-14 and performance in comparison to the Broad-based indices such as BSE-Sensex is provided hereunder.

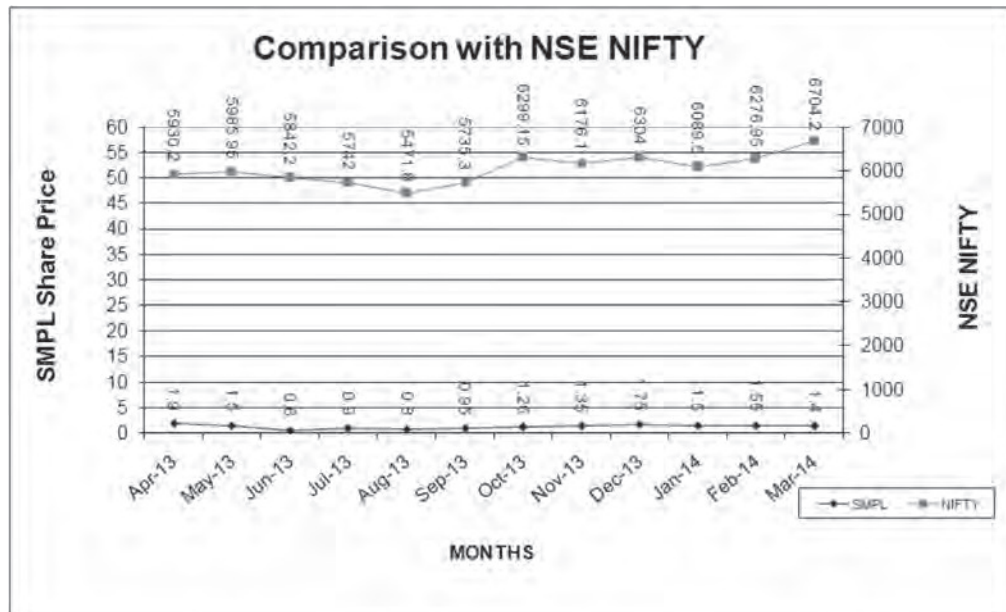
Month	High Price	Low Price	Close Price	BSE SENSEX (Closing)
April 2013	2.43	1.58	1.87	19504.18
May 2013	1.94	1.27	1.51	19760.30
June 2013	1.57	0.62	0.68	19395.81
July 2013	1.10	0.70	0.91	19345.70
August 2013	0.95	0.73	0.80	18619.72
September 2013	1.10	0.76	0.96	19379.77
October 2013	1.42	0.92	1.25	21164.52
November 2013	1.68	1.14	1.37	20791.93
December 2013	1.93	1.22	1.93	21170.68
January 2014	2.12	1.44	1.50	20513.85
February 2014	1.66	1.35	1.55	21120.12
March 2014	1.65	1.11	1.38	22386.27



The monthly high and low stock prices during the financial year 2013-14 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 2013	1.95	1.85	1.90	5930.20
May 2013	1.50	1.50	1.50	5985.95
June 2013	0.60	0.50	0.60	5842.20
July 2013	0.90	0.80	0.90	5742.00
August 2013	0.85	0.75	0.80	5471.80
September 2013	1.00	0.95	0.95	5735.30
October 2013	1.30	1.25	1.25	6299.150
November 2013	1.40	1.30	1.35	6176.10
December 2013	1.75	1.75	1.75	6304.00
January 2014	1.60	1.50	1.50	6089.50
February 2014	1.65	1.55	1.55	6276.95
March 2014	1.40	1.35	1.40	6704.20

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(v) 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.

(vi) Dematerialization of Shares

99.65% of the Company's Paid-up capital has been dematerialized upto 31.03.2014 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	135683329	69.10
CDSL	59990949	30.55
Physical	677603	0.35
Total	196350881	100.00

Holdings of Promoters & Promoters' Group in Electronic Mode (100% demat) :

In order to further promote dematerialization of securities, encourage orderly development of the securities market and to improve transparency in the dealings of shares by promoters including pledge / usage as collateral, SEBI vide its Circular No. SEBI/Cir/ ISD/3/2011 dated June 17, 2011 had stipulated that the securities of companies shall be traded in the normal segment of the exchange if and only if, the Company has achieved 100% of promoter's and promoter group's shareholding in dematerialized form latest by the quarter ended September 2011 as reported to the stock exchanges (subsequently extended to December 2011 vide SEBI /Cir/ISD/5/2011 dated September 30, 2011).

In compliance with the aforesaid circular of SEBI, your Company has achieved 100% of Promoters & Promoter Group's shareholding in dematerialized form.

(vii) Distribution of Shareholding

As on 31st March, 2014, the Distribution Shareholding was as follows:

Range Rs.	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
1. Upto - 5,000	7652478	3.9	24251	77.33
2. 5,001 - 10,000	4019031	2.05	2454	7.83
3. 10,001 - 20,000	4848106	2.47	1603	5.11
4. 20,001 - 30,000	4798514	2.44	946	3.02
5. 30,001 - 40,000	2458202	1.25	345	1.10
6. 40,001 - 50,000	3918903	2	409	1.30
7. 50,001-1,00,000	8900187	4.53	603	1.92
8. 1,00,001 and above	159755460	81.36	750	2.39
Total	196350881	100.00	31361	100

(viii) Pattern of shareholding as on 31st March, 2014 (Face Value: Rs.5/- each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	70244755	35.78
Financial Institutions/Banks	19096577	9.73
Body Corporate	20715120	10.55
Indian Public	86294429	43.95
Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil
Total	19,63,50,881	100

(ix) 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.

(x) Reconciliation of Share Capital Audit Report:

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

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

(xi) Plant Location:

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.

SUJANA METAL PRODUCTS LIMITED

- (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) Plot No. 4, Survey No. 296/7/7A, IDA Bollaram, Jinnaram Mandal, Medak District-502325, Telangana.
- (viii) Survey No. 473, 576 & 442, Kethepally Road, Chikatigudem Village, Kethipally Mandal, Nalgonda Dist, Telangana - 508 211.

Chennai:

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

Visakhapatnam:

Sanivada Village, Rajeevnagar, Visakhapatnam-530046.

(xii) Address for Correspondence

Secretarial Department:

Plot No.41, Nagarjuna Hills, Panjagutta, Hyderabad-500 082.
Phone No.2335 1882. Email: cssmpl@sujana.com

Regd.Office and Corporate Office:

Plot No.41, Nagarjuna Hills, Panjagutta,
Hyderabad - 500 082. Ph: 23351882, 23351887.
Email: info.smpl@sujana.com
Website: www.sujana.com

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 in terms of amended Clause 49(1)(d)(ii) of Listing Agreement.

It is hereby confirmed that all board members and senior management personnel have affirmed compliance with the code of conduct, laid down by the Board of Directors, for the financial year 2013-14.

Place: Hyderabad

Date: 28.08.2014

R.K.Birla
Managing Director



CEO & VICE-PRESIDENT (FINANCE & ACCOUNTS) CERTIFICATION

We, R.K.Birla, Managing Director & Chief Executive Officer and Shri Ch Narayana Rao, Vice President (Finance & Accounts), to the best of our knowledge and belief, do hereby certify that:

1. We have reviewed financial statements and the Cash Flow Statement for the Financial year 2013-14 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial year 2013-14 which are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad

R.K.Birla

Shri Ch. Narayana Rao

Date : 28.08.2014

Managing Director & Chief Executive Officer

Vice President (Finance & Accounts)

Certificate on Corporate Governance

To

The Members of Sujana Metal Products Limited,

I have examined the compliance conditions of Corporate Governance by Sujana Metal Products Limited, Hyderabad for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

I state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's Grievance Committee.

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

Y. Ravi Prasada Reddy

Dated: 28.08.2014

FCS No:5783, CP No:5360

SUJANA METAL PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. SUJANA METAL PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31st, 2014, the Statement of Profit and Loss, Cash Flow Statement for the year ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Profit and Loss Account, of loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For CRK&ASSOCIATES
Chartered Accountants
Firm Reg. No: 010004S

C. Rajendra Kumar, FCA
Partner
M No: 23103

Place: Hyderabad
Date: 30th May, 2014

SUJANA METAL PRODUCTS LIMITED

The Annexure referred to in paragraph 1 of Our Report of even date to the members of M/s.Sujana Metal Products Limited on the accounts of the company for the year ended 31st March, 2014. Having regard to the nature of company's business / Activities the clauses of 4(v), (vi), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable to the company.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i.
 - (a) The company is in the process of updating proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) According to the information and explanations given to us, Fixed Assets had not physically verified by the management during the period under Audit.
 - (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- ii.
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is generally an internal control procedure commensurate with the size of the company and the nature of its business. There should be strong internal control procedures for the purchase of inventories & fixed assets, payment for expenses and sale of goods. During the course of our audit, no other major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- v. As per the information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- vi. As per information & explanations given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records to determine whether they are accurate or complete.
- vii.
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax,



Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are amounts payable in respect of income tax, sales tax, customs duty and excise duty which have not been deposited on account of disputes. They are detailed as follows,

Name of the Statute	F.Y. to which matters pertain	Amount (Rs. in Lakhs)	Forum where matter is pending
Income Tax Act, 1961	2008-11	1479.25	Income Tax Appellate Tribunal, Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	1995-2011 2012-13	1688.15 248.12	Central Excise & Service Tax Appellate Tribunal, Commissioner of Central Excise
Customs Act, 1962	1998-2008 2009-10 2012-13 2013-14	548.33 215.08 21.97 54.11	Commissioner (Customs), Sea Port, Chennai, CESTAT Bangalore
Foreign Exchange Management Act, 1999 (Previously FERA, 1973)	1995-1996	300.00	Hon'ble High Court of Delhi
APGST Act, 1957	2002-03 2003-04	438.13 786.88	Sales Tax Appellate Tribunal, Commercial Tax Officer
Central Sales Tax Act, 1956	2005-08 2009-10	289.95 9.90	Appellate Deputy Commissioner, Hon'ble High Court of Andhra Pradesh
Tamilnadu Value Added Tax Act, 2006	2006-07 2012-13	194.92 200.00	Hon'ble High Court of Tamilnadu

- viii. The Company does not have any accumulated loss at the end of the financial year not more than fifty percent of its net worth and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, there have been delays in repayment of dues to Banks and financial institutions. Such delays have been summarized below indicating the maximum amount of delay and the maximum period reflected against each.

Banks/Financial Institutions	Maximum Amount Default (Rs. in Lakhs)	Maximum period of Default
Bank Of India		
Principal	7.61	255
Interest	4.04	63
Bank Of Baroda		
Principal	3.62	30
Interest	1.53	58

SUJANA METAL PRODUCTS LIMITED

Indian Bank		
Principal	2.56	334
Indian Overseas Bank		
Principal	5.20	46
Interest	2.49	3
Karnataka Bank Ltd		
Principal	2.00	34
Interest	0.80	12
Punjab National Bank - 4315		
Principal	10.98	35
Interest	3.99	30
State Bank Of Patiala		
Principal	9.23	90
Interest	3.61	56
SASF Chennai (IDBI)		
Principal	1472.00	669
Interest	637.02	700
SASF Vizag (IDBI)		
Principal	1202.25	577
Interest	494.92	700

- x. According to the information and explanations given to us, the company has given the guarantees for loan taken by others from a bank or financial institution where of the terms and conditions are not prejudicial to the interest of the company.
- xi. In our opinion and according to the information and explanations given to us by the management, the term loans have been applied for the purposes for which they were obtained.
- xii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xiii. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For CRK&ASSOCIATES
Chartered Accountants
Firm Reg. No: 010004S

C. Rajendra Kumar, FCA
Partner
M No: 23103

Place: Hyderabad
Date: 30th May, 2014



BALANCE SHEET AS AT 31ST MARCH, 2014

Rupees in lakhs

	Note No	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share Capital	3	11,310.91	11,310.91
b) Reserves and Surplus	4	58,049.09	61,882.05
		<u>69,360.00</u>	<u>73,192.96</u>
2 Non- Current liabilities			
a) Long-term Borrowings	5	94,008.76	78,517.57
b) Deferred Tax liabilities (net)	6	6,831.01	6,149.13
c) Other Long-Term liabilities	7	119.28	91.71
d) Long- Term provisions	8	291.54	242.97
		<u>101,250.59</u>	<u>85,001.38</u>
3 Current liabilities			
a) Short-Term Borrowings	9	67,467.00	51,666.87
b) Trade Payables	10	45,014.03	26,722.73
c) Other Current liabilities	11	10,046.87	7,364.10
d) Short-Term provisions	12	2,031.21	2,206.33
		<u>124,559.11</u>	<u>87,960.03</u>
TOTAL		<u>295,169.70</u>	<u>246,154.37</u>
II. ASSETS			
1 Non- Current Assets			
a) Fixed Assets			
i) Tangible Assets	13A	51,490.22	46,991.83
ii) Capital Work in Progress		2,188.36	5,456.19
		<u>53,678.58</u>	<u>52,448.02</u>
b) Non-Current Investments	14	14,229.40	14,229.40
c) Long-Term Loans and Advances	15	34,817.74	7,323.16
		<u>102,725.72</u>	<u>74,000.58</u>
2 Current Assets			
a) Current Investments	16	3.88	3.82
b) Inventories	17	28,003.97	15,803.49
c) Trade Receivables	18	138,976.19	132,674.25
d) Cash and Bank Balances	19	1,961.83	2,218.15
e) Short-Term Loans and Advances	20	22,947.13	21,252.81
f) Other Current Assets	21	550.98	201.27
		<u>192,443.98</u>	<u>172,153.79</u>
TOTAL		<u>295,169.70</u>	<u>246,154.37</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For CRK & Associates

R K Birla

S. Hanumantha Rao

Chartered Accountants

Managing Director

Director - Finance

C. Rajendra Kumar

Ch. Narayana Rao

Shaik Ibraheem

Partner

Vice President (Finance & Accounts)

Company Secretary

Place : Hyderabad

Place : Hyderabad

Date : 30th May 2014

Date : 30th May 2014

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SUJANA METAL PRODUCTS LIMITED

Statement of Profit and Loss for the year ended 31st March 2014

Rupees in lakhs

	Note No	For the year ended 31 March 2014	For the year ended 31 March 2013
I. REVENUE			
Revenue from operations (gross)		291,519.95	374,081.55
Less: Excise duty		7,078.08	9,096.07
Revenue from operations (net)	22	284,441.87	364,985.48
Other income	23	2,116.89	1,541.59
Total revenue		286,558.76	366,527.07
II. EXPENSES			
Cost of materials	24.a &b	268,472.62	335,102.85
Change in inventories of finished goods, work in progress and stock- in-trade	24.c	(11,035.61)	(921.58)
Employee benefit expenses	25	2,312.66	2,399.94
Finance costs	26	17,255.64	18,099.73
Depreciation and amortisation expense	13A&13B	3,828.66	4,123.01
Other expenses	27	8,856.25	9,769.24
Total expenses		289,690.22	368,573.19
III. PROFIT BEFORE TAX (I-II)			
		(3,131.46)	(2,046.12)
IV. TAX EXPENSE			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Current tax credit relating to earlier years		2.23	-
d) Fringe benefit tax written back of earlier years		-	-
		2.23	-
e) Deferred tax		681.87	(20.01)
		684.10	(20.01)
V. PROFIT FOR THE YEAR/PERIOD (III-IV)			
		(3,815.56)	(2,026.11)
Earnings per equity share of Rs. 5/- each (Refer Note No.31)			
Basic Rs.		(1.95)	(1.04)
Diluted Rs.		(1.95)	(1.04)

See accompanying notes forming part of the financial statements

In terms of our report attached

For CRK & Associates

Chartered Accountants

C. Rajendra Kumar

Partner

Place : Hyderabad

Date : 30th May 2014

For and on behalf of the Board of Directors

R K Birla

Managing Director

Ch. Narayana Rao

Vice President (Finance & Accounts)

Place : Hyderabad

Date : 30th May 2014

S. Hanumantha Rao

Director - Finance

Shaik Ibraheem

Company Secretary



Cash flow statement for the Year ended 31 March 2014

Rupees in lakhs

	For the Year ended 31 March 2014	For the Year ended 31 March 2013
Cash flow from operating activities		
Net profit before tax	(3,131.46)	(2,046.12)
Adjustments for:	-	-
Depreciation and amortisation	3,828.66	4,123.01
Extraordinary Item	-	-
Loss on sale of fixed assets (net)	0.98	11.62
Net unrealised exchange gain	(527.55)	(527.55)
Finance costs	17,255.63	18,099.73
Interest income	(454.70)	(428.69)
Loss on sale of current investment	-	-
Adjustments to the carrying amount of current investments	(0.05)	0.39
Dividend income on current investment	-	-
Operating profit before working capital changes	16,971.51	19,232.39
<i>Changes in working capital:</i>	-	-
<i>Adjustments for (increase) / decrease in operating assets:</i>	-	-
Inventories	(12,200.48)	439.06
Trade receivables	(5,787.46)	(24,298.25)
Long-term loans and advances	(28,195.87)	38.78
Short-term loans and advances	(3,066.23)	16,814.67
Other current assets	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	-	-
Trade payables	18,304.37	(18,398.54)
Other current liabilities	2,041.37	(12,548.46)
Other long-term liabilities	27.58	(8,614.92)
Other Short-term liabilities	35.22	42.10
Provision for employee benefits	48.57	35.86
Cash generated from operations	(11,821.42)	(27,257.31)
Net income tax paid	(2.52)	(412.61)
Net cash flow from operating activities (A)	(11,823.94)	(27,669.92)
<i>Cash flows from investing activities</i>		
Capital expenditure on fixed assets and capital advances paid	(5,454.01)	(1,742.76)
Receipt of capital advances	-	-
Proceeds from sale of fixed assets	2.59	6.97
(Increase)/decrease in restricted cash	71.99	3,235.11
Purchase consideration on acquisition of a unit of Handum Industries Limited.	-	-
Advances given to subsidiaries	2,254.42	(4,432.87)
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	105.00	484.08
Net cash used in investing activities (B)	(3,020.01)	(2,449.47)

SUJANA METAL PRODUCTS LIMITED

Cash flow statement for the Year ended 31 March 2014

Rupees in lakhs

	For the Year ended 31 March 2014	For the Year ended 31 March 2013
Cash flow from financing activities	-	-
Proceeds from issue of share capital	-	-
Share premium received [Net of GDR issue expenses of Rs. Nil]	-	-
Proceeds from long-term borrowings	15,491.19	50,849.77
Repayment of long-term borrowings	-	-
Increase in short-term borrowings	15,800.13	(4,059.27)
Dividend paid including tax there on	(17.47)	(17.36)
Interest and other borrowing costs paid	(16,614.24)	(17,626.70)
Net cash (used in)/from financing activities (C)	14,659.61	29,146.44
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(184.34)	(972.95)
Cash and cash equivalents at the beginning of the year/period	349.10	1,322.04
Exchange difference on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year/period	164.76	349.09
Notes:		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.		
2. Reconciliation of Cash and cash equivalents with balance sheet:		
Cash and bank balances as per balance sheet	1,961.83	2,218.15
Less: Balances in earmarked accounts		
- balance held as margin monies	1,797.07	1,869.06
Net cash and cash equivalents at the end of the year/period	164.76	349.09
See accompanying notes forming part of the financial statements		

In terms of our report attached

For and on behalf of the Board of Directors

For CRK & Associates
Chartered Accountants

R K Birla
Managing Director

S. Hanumantha Rao
Director - Finance

C. Rajendra Kumar
Partner

Ch. Narayana Rao
Vice President (Finance & Accounts)

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May 2014

Place : Hyderabad
Date : 30th May 2014



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

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

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

SMPL is currently engaging in the business of Manufacture and trading of steel products like Thermo Mechanically Treated (TMT) bars in different sizes, Structural steels like Ms Angles, Ms Squares, Ms Beams and Ms Channels etc and smart steel of varying shapes and dimensions for the construction & 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, 1956.

b Use of Estimates

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

c Fixed Assets and Depreciation and Amortisation

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises the purchase price (net of rebates and discounts) and any other directly attributable costs of bringing the assets to working condition for their intended use. Costs of construction consists of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets up to the date when the asset is ready to use.

Depreciation on fixed assets is provided using the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of a Fixed Asset at the time of acquisition of the Asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation is calculated on a pro-rata basis from/up to the date the assets are purchased /sold. Individual assets costing less than Rs. 5,000 are depreciated fully in the year of purchase.

d Investments

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

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

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

e Revenue Recognition

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

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

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

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

f Inventories

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

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

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

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

g Employee Benefits

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

Defined Benefit Plan

i) Gratuity

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

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

ii) **Compensated Absences**

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

Defined Contribution Plan

i) **Provident Fund**

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

h **Foreign Currency Transactions**

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

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

i **Borrowing Costs**

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

j **Taxes on Income**

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

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

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

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

k Earnings per Share

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

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

l Impairment of assets

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

m Provisions, Contingent Liabilities and Contingent Assets

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 3: Share capital		
Authorised		
i) 310,000,000 (31.03.2013:310,000,000) Equity Shares of Rs.5 each	15,500.00	15,500.00
ii) 4,500,000 (31.03.2013:4,000,000) Preference Shares of Rs. 100 each	4,500.00	4,500.00
Issued, subscribed and fully paid up		
i) 196,350,881 (31.03.2013:196,350,881) Equity Shares of Rs. 5 each	9,817.54	9,817.54
ii) 1,493,365 (31.03.2013:1,493,365) 1% Cumulative Redeemable Preference Shares of Rs.100 each	1,493.37	1,493.37
	11,310.91	11,310.91

Notes:

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

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Number of Shares	Amount Rs. in Lakhs	Number of Shares	Amount Rs. in Lakhs
a) Equity (including shares represented by underlying GDRs)				
Shares outstanding at the beginning of the year/period	196,350,881	9,817.54	196,350,881	9,817.54
Shares issued during the year/period	-	-	-	-
Shares bought back during the year/ period	-	-	-	-
Shares outstanding at the end of the year/ period	196,350,881	9,817.54	196,350,881	9,817.54
b) Cumulative Redeemable Preference Shares				
Shares outstanding at the beginning of the year/period	1,493,365	1,493.37	1,493,365	1,493.37
Shares Issued during the year/period	-	-	-	-
Shares redeemed during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	1,493,365	1,493.37	1,493,365	1,493.37

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% held	No. of Shares held	% held
a) Equity shares of Rs. 5 each fully paid				
Yalamanchili Finance & Trading Pvt Ltd	26,766,461	13.63	26,766,461	13.63
Foster Infin and Trading Pvt Limited	25,000,000	12.73	25,000,000	12.73
Deutsche Bank Trust Company Americas	-	-	12,946,000	6.59
Stressed Assets Stabilisation Fund	12,759,682	6.50	12,759,682	6.50
Sujana Holdings Limited	10,000,000	5.09	10,000,000	5.09
b) Cumulative Redeemable Preference Shares of Rs.100 each fully paid				
IDBI Bank Limited	1,493,365	100.00	1,493,365	100.00

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
iii) 13,140,489 Equity shares issued as fully paid up to the share holders of erstwhile Sujana Steels Limited on its amalgamation with the company, for consideration other than cash.		
iv) The company has only one class of shares referred to as equity shares having a par value of Rs. 5/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding. Nil (31.03.2013:12,946,000) equity shares represent the shares underlying outstanding Global Depository Receipts (GDRs). Each GDR represents 10 underlying equity shares.		
v) Redemption of Cumulative Redeemable Preference Shares (CRPS) 1,493,365 1% of Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1493.37 lakhs is redeemable in 12 quarterly installments co-terminus with principal payment commencing from October 01, 2013 and ending July 01, 2016. CRPS carry cumulative dividend @1% per annum. The company declares and pays dividend in Indian rupees each. Each holder of CRPS is entitled to one vote per share only on resolutions placed before the company which directly effect the rights attached to CRPS. Three quarterly installment of Rs. 369.93 has been paid to IDBI(preferance share holder) for redemption of 3,73,340 numbers of 1% preference shares of Rs.100 each. However these shares were not received by the company from IDBI for redemption. Hence the amount of Rs.369.93 lakhs has been classified as advance.		
Note 4: Reserves and surplus		
i) Capital reserve		
Opening balance	9,880.43	9,880.43
Add: Additions during the year/period	-	-
Closing balance	<u>9,880.43</u>	<u>9,880.43</u>
ii) CRPS redemption reserve		
Opening balance	1,493.37	1,256.25
Add: Additions during the year/period	-	237.12
Closing balance	<u>1,493.37</u>	<u>1,493.37</u>
iii) Securities premium account		
Opening balance	34,935.98	34,935.98
Add: Premium on shares issued during the year/period	-	-
Closing balance	<u>34,935.98</u>	<u>34,935.98</u>
iv) General reserve	698.64	698.64
v) Surplus in statement of profit and loss		
Opening balance	14,873.59	17,154.14
Add: Profit for the year/period	(3,815.56)	(2,026.08)
Less: Appropriations		
Proposed dividend on CRPS	14.93	14.93
Dividend distribution tax	2.43	2.42
CRPS redemption reserve	-	237.12
Closing balance	<u>11,040.67</u>	<u>14,873.59</u>
	<u>58,049.09</u>	<u>61,882.01</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 5: Long term borrowings		
Secured		
a) Term loans from		
i) Banks	26,267.15	25,063.72
ii) Financial institutions	6,550.72	6,556.88
b) Funding of Intrest on Term Loan		
i) FITL - I	8,236.33	2,173.03
ii) FITL - II	1,820.32	2,037.33
iii) W C T L	48,633.44	41,753.36
iv) FITL ON WCTL	2,487.16	897.42
c) Vehicle loans from		
i) Banks	13.64	35.83
ii) Others	-	-
	94,008.76	78,517.57

Notes:

Term loan from banks viz. Punjab National Bank, Bank of India, Indian Overseas Bank, IDBI Bank 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 and properties of certain directors.

During the year the company availed additional Term Loan taken from Andhra Bank Rs.271.00 lakhs, Bank of Ondia Rs.269.00 laks, IOB Rs.154.00 lakhs and PNB Rs.406.00 lakhs carries an interest rate of 11 % p.a for upgradation of technology at Shadnagar and Suryapet units.

As per CDR Terms of repayment are as follows:

- i) Loan taken from Andhra Bank, Rs. 50.91Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October, 2014.
- ii) Loan taken from Indian Overseas Bank, Rs.32.60Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October, 2014.
- iii) Loan taken from Bank Of India, Rs. 54.61Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October, 2014.
- iv) Loan taken from Punjab National Bank, Rs.90.86Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October, 2014.
- v) Loan taken from IDBI, Rs. 22.38Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October, 2014.
- vi) Term loan from financial institutions viz Stressed Assets Stabilization Fund (SASF) secured by first charge on all the immovable and movable fixed assets of the company and second charge on the current assets of the company. As per SASF letter dated 15 March 2013, crystallizes the SASF dues to Rs.6,600 lakhs and is to be paid in cash carrying ROI @ 9% p.a payable over 9 1/2 years and balance Rs. 1800 lakhs to be converted into equity as per SEBI Guidelines. After giving effect to the CDR it was decided that SASF dues as per June, 2008 package should be considered for restructuring at par with other lenders including clearance of interest overdue as on COD (October 1, 2012). As per Bank's advice Interest and other overdues of Rs18.20 crore as on COD, is to be cleared for restructuring of dues at CDR.
- vii) Overdue interest on Term Loans, SASF & Working Capital was converted to 'Funding of Interest on Term Loan' amounting to Rs. 67.46Crores, which shall be repayable in 4.5years after completion of moratorium period i.e. October, 2014.
- viii) Working Capital loans were converted to Working Capital Term Loans amounting Rs.41,735.66Lakhs, which shall be repayable in 8years, after completion of moratorium period i.e. Oct, 2014.
- ix) Vehicle loans from banks and others are secured by hypothecation of the vehicles financed through the loan arrangements and are repayable over a period of 36 months to 60 months.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	7,376.23	6,696.34
Deferred tax asset:		
Provision for employee benefits	136.94	113.83
Provision for doubtful trade receivables, loans and advances	408.28	433.37
	545.22	547.20
Deferred tax liabilities (net)	6,831.01	6,149.14
Note 7: Other long -term liabilities		
Security Deposits	90.20	91.71
Govt Grands - Differed Receivable	29.08	-
	119.28	91.71
Note 8: Long-term provisions		
Provision for Employee benefits	291.54	242.97
	291.54	242.97
Note 9: Short-term borrowings		
Loans repayable on demand		
Secured		
From Banks	63,281.98	51,566.87
Unsecured	-	-
From Others	4,185.02	100.00
	67,467.00	51,666.87
i) Loans repayable on demand includes an amount of Rs. 63281.98 lakhs (31.03.2013:Rs.51,566.87 lakhs) represents working capital loans from banks are inter alia secured by way of parri passu first charge on current assets and parri passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of certain directors.		
ii) Rs.4085.02 lakhs has been brought by promoters as interest free unsecured loan under CDR scheme which shall be converted in to equity shares as per SEBI norms and Rs.100 lakhs from others in the previous year carrying an interest of 17% per annum.		
Note 10: Trade payables		
Acceptances	16,824.69	1,986.71
Other than acceptances	28,189.34	24,736.02
	45,014.03	26,722.73
Note 11: Other current liabilities		
Current maturities of long-term debt	1,605.93	1,613.80
Interest accrued but not due on borrowings	-	19.00
Interest accrued and due on borrowings	2,380.78	1,720.39
Other payables		
Statutory remittances	296.05	364.60
Payables on purchase of fixed assets	3,019.71	14.64
Advances from customers	2,744.40	3,631.67
	10,046.87	7,364.10
Note 12: Short-term provisions		
Provision for employee benefits	130.54	107.88
Provision for current income tax	1,838.40	2,048.75
Provision for proposed dividend on CRPS	59.73	44.80
Provision for tax on proposed dividend	2.54	4.90
	2,031.21	2,206.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13A: Tangible Assets

(Amt in Lakhs)

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 01 April 2013	Additions	Deletions	As at 31 March 2014	As at 01 April 2013	For the year	Deletions	As at 31 March 2014	As at 31 March 2013
Land- Freehold	2,207.44	-	-	2,207.44	-	-	-	2,207.44	2,207.44
Buildings	4,896.63	16.05	-	4,912.68	850.10	145.60	-	3,916.97	4,046.73
Plant & Machinery	58,273.59	8,253.36	2.02	66,524.94	20,315.92	3,404.29	0.71	42,805.44	37,958.93
Owned	-	-	-	-	-	-	-	-	-
Given under operating lease	-	-	-	-	-	-	-	-	-
Electrical Installation	2,423.57	46.14	-	2,469.71	621.46	123.08	-	1,725.17	1,800.67
Furniture & Fixtures	83.76	3.66	-	87.42	57.06	3.48	-	26.88	26.70
Office Equipment	169.98	2.83	-	172.80	47.84	7.21	-	117.76	122.18
Vehicles	687.89	1.42	3.43	685.88	310.05	55.08	1.17	321.93	377.84
Computers	954.77	7.15	-	961.92	503.37	89.92	-	368.63	451.35
TOTAL (A)	69,697.64	8,330.61	5.45	78,022.80	22,705.80	3,828.66	1.88	26,532.58	46,991.83
Previous Period	67,109.30	2,626.10	37.77	69,697.64	18,601.98	4,123.01	19.18	46,991.83	48,507.32

Note 13B: Intangible Assets

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 01 April 2013	Additions	Deletions	As at 31 March 2014	As at 01 April 2013	For the year	Deletions	As at 31 March 2014	As at 31 March 2013
Goodwill	28.68	-	-	28.68	28.68	-	-	28.68	-
Computer Software	-	-	-	-	-	-	-	-	-
Total B	28.68	-	-	28.68	28.68	-	-	28.68	-
Previous Period	28.68	-	-	28.68	28.68	-	-	28.68	-
Grand Total (A+B)	69,726.32	8,330.61	5.45	78,051.47	22,734.48	3,828.66	1.88	26,561.26	46,991.83
Previous Period	67,137.98	2,626.10	37.77	69,726.32	18,630.66	4,123.01	19.18	46,991.83	48,507.32

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 14: Non-current investments		
Un-Quoted		
Investment in equity instruments in subsidiaries at cost		
Alpha Ventures Limited	2,320.71	2,320.71
5,010,000 (31.03.2013:5,010,000) Shares of USD 1.00 each fully paid up		
Glade Steels Private Limited	674.51	674.51
674,514 (31.03.2013:674,514) Equity Shares of Rs.100 each fully paid up		
Asian tide Enterprises Limited	11,234.18	11,234.18
194,274,600 (31.03.2013:194,274,600) Shares of HK\$ 1.00 each fully paid up		
	<u>14,229.40</u>	<u>14,229.40</u>
Book value of unquoted investments	<u>14,229.40</u>	<u>14,229.40</u>
Note 15: Long-term loans and advances		
i) (Unsecured and considered good)		
a) Capital Advances	5,495.70	5,104.51
b) Other Advances	27,474.29	-
c) Security deposits	774.00	131.81
d) Loans and advance to related parties	-	1,092.49
e) Advance income tax [net of provisions	-	210.00
f) MAT credit entitlement	290.66	290.66
g) Deposits with government authorities	783.09	493.69
(A)	<u>34,817.74</u>	<u>7,323.16</u>
ii) Doubtful		
a) Security deposits	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02
c) Other advances	-	-
	<u>351.92</u>	<u>351.92</u>
Less: Provision for doubtful advances	<u>351.92</u>	<u>351.92</u>
(B)	-	-
(A+B)	<u>34,817.74</u>	<u>7,323.16</u>
Note 16: Current investments		
(At lower of cost and fair value)		
Investment in mutual funds (Quoted)		
SBI - PSU fund dividend	5.00	5.00
50,000 (31.03.2013:'50,000' units purchased during the previous period)	-	-
Less: provision for diminution in the value of investment	(1.12)	(1.18)
	<u>3.88</u>	<u>3.82</u>
Aggregate amount of unquoted investments	5.00	5.00
Aggregate provision for diminution in the value of current investments	1.12	1.18



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 17: Inventories (At lower of cost and net realisable value)		
Raw materials	2,776.94	1,368.79
Goods- in-transit	-	-
Finished goods	23,968.36	1,854.19
Goods- in-transit	-	-
Stock in trade	-	11,078.56
Stores and spares	1,258.67	1,501.95
	<u>28,003.97</u>	<u>15,803.49</u>
Note 18: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	28,461.64	6,148.36
Considered Doubtful	906.44	983.78
	<u>29,368.08</u>	<u>7,132.14</u>
Less: Provision for doubtful trade receivables	906.44	983.78
(A)	<u>28,461.64</u>	<u>6,148.36</u>
Other trade receivables		
Considered Good	110,514.55	126,525.89
Considered Doubtful	-	-
	<u>110,514.55</u>	<u>126,525.89</u>
Less: Provision for doubtful trade receivables	-	-
(B)	<u>110,514.55</u>	<u>126,525.89</u>
(A+B)	<u>138,976.19</u>	<u>132,674.25</u>
Note 19: Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	23.56	57.19
Balances with Banks:		
In current accounts	141.20	291.91
In EEFC account	-	-
In Deposit accounts	-	-
Other bank balances	-	-
In earmarked accounts	-	-
Balance held as margin monies	1,797.07	1,869.05
	<u>1,961.83</u>	<u>2,218.15</u>
Note 20: Short-term loans and advances		
(Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties	6,281.62	7,443.55
Security deposits	43.02	63.84
Loans and advances to employees	38.54	32.74
Prepaid expenses	14.15	48.38
Balances with government authorities	-	-
CENVAT credit receivable	969.94	1,180.28
VAT credit receivable	68.02	48.56
Advances for supply of goods and rendering of services	15,099.69	12,391.49
Others	432.15	43.97
	<u>22,947.13</u>	<u>21,252.81</u>
Short term loans and advances include amounts due from:		
Directors	-	-
Note 21: Other current assets		
Interest accrued but not due on deposits	550.98	201.27
	<u>550.98</u>	<u>201.27</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2014	Year Ended 31 March 2013
Note 22: Revenue from operations		
a) Sale of products		
i) Manufactured	61,804.25	77,185.37
ii) Traded & Processed Goods	195,455.01	218,313.59
iii) Exports	26,660.53	68,554.65
b) Other operating revenues		
Conversion income	522.08	931.87
Total	284,441.87	364,985.48

Particulars of sale of products	Year ended 31 March 2014		Year ended 31 March 2013	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
A Manufactured goods				
TMT Bars	62,595	24,064.11	116,292	45,937.10
MS Channels	59,819	20,575.67	11,474	4,487.24
MS Beams	10,581	3,887.10	12,663	5,002.77
Others	70,053	13,886.21	74,007	21,758.26
Total	203,047	62,413.09	214,437	77,185.37
B Traded & Processed goods				
TMT Bars	228,098	89,485.43	609,706	277,231.65
C R Coils and H R Coils	-	-	9,322	4,036.36
M S Rebars	-	-	8	3.51
M S Scrap	4,350	1,165.13	4,016	961.69
Others	278,634	130,856.14	42,337	4,635.03
Total	511,082	221,506.70	665,389	286,868.24

	Year Ended 31 March 2014	Year Ended 31 March 2013
Note 23: Other Income		
a) Interest on deposit with banks and others	454.70	428.69
b) Liabilities/Provisions no longer required written back	86.50	145.58
c) Net gain on foreign currency transactions and translations	1,490.22	889.17
d) Dividend income from current investments	-	-
e) Profit on sale of fixed assets (net)	-	-
f) Rental income from operating leases	9.00	9.00
g) Miscellaneous income	76.47	69.15
	2,116.89	1,541.59

Note 24. Cost of materials		
Opening Stock	1,368.79	3,225.14
Add : Purchases	269,936.78	333,273.18
	271,305.57	336,498.32
Less : Closing stock	2,776.94	1,368.79
	268,528.63	335,129.53
Less : Transfer to capital work in progress	56.01	26.68
	268,472.62	335,102.85



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

Note 24.a. Details of raw materials consumed

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
Pig/Sponge Iron/Scrap	147,486	11,563.94	56,770	6,181.53
Billets / Blooms	124,199	35,528.12	164,427	50,747.49
MS Products	19,165	6,018.77	19,432	6,722.10
MS Ingots	1,958	589.16	1,872	646.05
TMT Bars	8,956	3,218.44	16,430	6,546.33
Total*	301,764	56,918.43	258,931	70,843.50
Less: Transferred to capital work in progress	-	-	-	26.68
Total	301,764	56,918.43	258,931	70,816.82

**Includes material transfer of one unit to other units 20,525.04 MTs (31.03.2013: 8912 MTs) at zero value.

Note 24.b: Details of Purchase of traded goods

TMT Bars	92,713	36,200.38	370,933	152,651.76
MS Rebars	447,462	173,741.13	72,078	28,873.25
H R Coils and C R Coils	-	-	9,322	4,031.70
Others	7,370	1,307.69	198,796	73,959.71
M S Scrap	1,376	304.99	14,204	4,769.61
Total	548,921	211,554.19	665,333	264,286.03

	Year Ended 31 March 2014	Year Ended 31 March 2013
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	1,854.19	2,705.30
Work in progress	-	-
Stock in trade	11,078.56	9,305.87
	12,932.75	12,011.17
Inventories at the end of the year:		
Finished goods	23,968.36	1,854.19
Work in progress	-	-
Stock in trade	-	11,078.56
	23,968.36	12,932.75
Net (increase) / decrease	(11,035.61)	(921.58)
Note 25: Employee benefit expenses		
Salaries, wages and bonus	2,110.04	2,213.11
Contribution to provident and other funds	160.94	137.52
Staff welfare expenses	41.68	49.31
	2,312.66	2,399.94

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2014	Year Ended 31 March 2013
Note 26: Finance costs		
Interest expense on Borrowings	15,949.05	16,170.60
Other borrowing costs	1,306.59	1,929.13
	<u>17,255.64</u>	<u>18,099.73</u>
Note 27: Other expenses		
Consumption of stores, spares and consumables	1,478.41	1,151.23
Power and fuel	4,421.21	4,892.15
Other manufacturing expenses	272.41	191.25
Equipment hire charges	31.49	40.14
Job work charges	626.11	872.24
Increase/(decrease) of excise duty on inventory	-3.09	(93.62)
Rent includes lease rentals	148.51	145.20
Repairs and Maintenance-Buildings	7.24	23.55
Repairs and Maintenance-Machinery	48.69	78.97
Repairs and Maintenance-Others	25.89	8.27
Insurance	64.71	65.73
Rates and taxes	107.65	104.63
Factory maintenance	53.40	52.51
Printing and stationery	22.56	23.24
Communication	46.54	47.45
Travelling and conveyance	304.02	272.31
Legal and professional	297.45	296.33
Payments to auditors (Refer Note (i) below)	40.00	46.00
Security Charges	126.37	108.88
Donations	1.00	8.84
Sales commission	2.27	26.73
Sales discount	30.30	57.50
Business promotion	41.93	72.20
Freight outwards	645.61	596.68
Directors' fees	2.40	2.80
Provision for doubtful trade receivables, loans and advances	-77.34	539.08
Adjustments to carrying amount of current investments	-0.05	0.39
Miscellaneous expenses	89.58	126.94
Loss on sale of fixed assets	0.98	11.62
	<u>8,856.25</u>	<u>9,769.24</u>
Note (i): Payments to the auditors (net of service tax input credit)		
As auditors -statutory audit	40.00	46.00
Other Services	-	-
Total	<u>40.00</u>	<u>46.00</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Employee Benefits

Defined contribution plans:

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.60.66 lakhs (31.03.2013: Rs. 66.77 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, 2014 is Rs.298.87 lakhs (31-3-2013: Rs.248.20 lakhs) of which Rs.13.90 lakhs (31.3.2013: 5.02 lakhs) is funded with the Life Insurance Corporation of India. The balance of Rs.284.97 lakhs (31-3-2013: Rs.243.18 lakhs) is included in Provision for Gratuity. The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

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

Amount to be recognised in balance sheet

(Rupees in lakhs)

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	298.87	137.10	435.97
	<i>248.20</i>	<i>107.66</i>	<i>355.86</i>
Fair value of plan assets	(13.90)	-	(13.90)
	<i>(5.02)</i>	-	<i>(5.02)</i>
Net liability	284.97	137.10	422.07
	<i>243.18</i>	<i>107.66</i>	<i>350.84</i>

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 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 LIC's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expenses to be recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	39.14	29.43	68.57
	<i>36.65</i>	<i>17.06</i>	<i>53.71</i>
Interest Cost	20.35	8.83	29.18
	<i>19.80</i>	<i>7.79</i>	<i>27.59</i>
Expected return on plan assets	(0.30)	-	(0.30)
	<i>(1.07)</i>	-	<i>(1.07)</i>
Actuarial (Gains)/Losses	(0.34)	7.95	7.61
	<i>(26.76)</i>	<i>12.55</i>	<i>(14.21)</i>
Total included in employee benefit expense	58.85	46.21	105.06
	<i>28.62</i>	<i>37.40</i>	<i>66.02</i>
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	248.20	107.67	355.87
	<i>230.25</i>	<i>90.60</i>	<i>320.85</i>
Current Service Cost	39.14	29.43	68.57
	<i>36.65</i>	<i>17.06</i>	<i>53.71</i>
Interest Cost	20.35	8.83	29.18
	<i>19.80</i>	<i>7.79</i>	<i>27.59</i>
Actuarial (Gains)/Losses	(0.34)	7.95	7.61
	<i>(26.76)</i>	<i>12.55</i>	<i>(14.21)</i>
Benefits Paid	(8.48)	(16.78)	(25.26)
	<i>(11.74)</i>	<i>(20.34)</i>	<i>(32.08)</i>
Closing defined benefit obligation	298.87	137.10	435.97
	<i>248.20</i>	<i>107.66</i>	<i>355.86</i>
Opening fair value of plan assets	5.02	-	5.02
	<i>15.67</i>	-	<i>15.67</i>
Expected return on plan assets	0.30	-	0.30
	<i>1.07</i>	-	<i>1.07</i>
Contributions by employer	17.06	-	17.06
	<i>0.02</i>	-	<i>0.02</i>
Benefits Paid	(8.48)	-	(8.48)
	<i>(11.74)</i>	-	<i>(11.74)</i>
Closing Fair Value of Plan Assets	13.90	-	13.90
	<i>5.02</i>	-	<i>5.02</i>
Assumptions			
Interest / Discount Rate			9.15%
			<i>8.60%</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			3.00%
			<i>3.00%</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 FINANCIAL STATEMENTS

iii) Salary Escalation Rate

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

Net Asset/(Liability) recognised in Balance Sheet

(Rupees in lakhs)

Particulars	2013-14	2012-13	2011-12	2009-11	2008-09
Gratuity					
Present value of defined benefit obligation	298.87	248.20	230.26	192.75	135.52
Fair value of plan assets	13.90	5.02	15.67	-	-
Status [Surplus / (Deficit)]	(284.97)	(243.18)	(214.59)	(192.75)	(135.52)
Compensated Absences					
Present value of defined benefit obligation	137.10	107.66	90.60	63.21	27.73
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(137.10)	(107.66)	(90.60)	(63.21)	(27.73)

29 Related Party Disclosure

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

List of Related Parties

1. Subsidiaries

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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2. Key Management Personnel

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

3. List of Related Parties

Sl. No	Name of the Company	Sri Y S Chowdary	Sri G S Raju	Sri 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 Limited	√	√	√
6	Sujana Power (Gangikondan) Limited	√		√
7	Sujana Power (India) Limited	√	√	√
8	Sujana Power (Tuticorin) Limited	√		√
9	Sujana Projects Limited	√	√	√
10	Sujana Towers Limited	√	√	√
11	Yalamanchili Finance and Trading Private Limited	√	√	
12	Sujana Pumps & Motors Pvt. Ltd			

Note: Related parties have been identified by the management.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in lakhs)

Related Party Transactions:				
Particulars	Subsidiaries		Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13
A). Sales				
Glade Steel Private Limited	-	191.92	-	-
Sujana Universal Industries Limited			3,964.94	1,704.72
Sujana Towers Limited			2,204.38	1,303.16
SUB-TOTAL	-	191.92	6,169.32	3,007.88
B). Purchases				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Limited			10,644.42	20,844.70
Sujana Towers Limited			2,022.45	1,049.08
SUB-TOTAL	-	-	12,666.87	21,893.78
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	-	-	4,038.05	-
SUB-TOTAL	-	-	4,038.05	-
F). Other Income				
Sujana Universal Industries Limited	-	-	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	-	-	120.36	120.36
Mr. Hanumantha Rao - Director (Finance)	-	-	13.80	10.20
SUB-TOTAL	-	-	134.16	130.56



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in lakhs)

30 Earnings Per Share

Particulars	2013-14	2012-13
Profit After Tax	(3,815.56)	(2,026.11)
Less: Preference Dividend including tax thereon	17.36	17.36
Profit attributable to ordinary share holders	(3,832.92)	(2,075.81)
Profit attributable to ordinary share holders- for diluted EPS	(3,832.92)	(2,075.81)
Weighted average number of ordinary shares used in computing Basic Earnings per Share	196,350,881	196,350,881
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.	196,350,881	196,350,881
Earnings per share - Face Value: Rs. 5/- each		
Basic - Rs.	(1.95)	(1.04)
Diluted - Rs.	(1.95)	(1.04)

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

(Rupees in lakhs)

Particulars	As at 31 March 2014	As at 31 March 2013
a) Contingent liabilities		
i) Claims against the Company not acknowledged as debts in respect of:		
Excise Duty	2,120.20	2,116.87
Custom Duty	839.49	797.67
TNVAT/APGST/CST	2,198.12	2,179.39
Income Tax (Net of liability as per return)	1,479.25	1,517.25
FEMA*	400.00	630.00
ii) Guarantees		
Corporate Guarantees furnished on behalf of Sujana Universal Industries Ltd	81,410.00	81,410.00
Corporate guarantee furnished on behalf of Optimix Enterprises Limited (USD 75 lakhs)	4,087.50	4,087.50
b) Commitments		
i) Export commitments on account of import of machinery and equipments at concessional duty under EPCG scheme (31.03.2012 :Rs.112.916Lakhs) .Such export commitments need to be fulfilled by the Company on or before 23 April 2016. As on 31 March 2012,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>		

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 Derivative Instruments

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

(In lakhs)

Particulars	2013-14		2012-13	
	Rs.	USD	Rs.	USD
For import of goods and services	4,224.62	70.63	4,824.36	88.51
For export of goods and services	19,465.43	325.45	31,103.77	570.66

33 CIF Value of Imports

(Rupees in lakhs)

Particulars	2013-14	2012-13
Raw Materials including stock in trade	7,456.42	10,534.83
Capital Goods	-	-
Others	-	-
Total	7,456.42	10,534.83

34. Details of consumption of imported and indigenous items

Particulars	2013-14		2012-13	
	%	VALUE (Rs. in lakhs)	%	VALUE (Rs. in lakhs)
Raw Material				
Imported	2.78%	7,456.42	1.22%	864.44
Indigenous	97.22%	261,016.20	98.78%	69,952.38
	100.00%	268,472.62	100.00%	70,816.82
Stores and Spares (Indigenous)	100.00%	1,478.41	100.00%	1,151.23

35 Expenditure in Foreign Currency (on accrual basis)

(Rupees in lakhs)

Particulars	2013-14	2012-13
Travelling	2.57	3.89
Professional and Consultancy	-	-
Total	2.57	3.89

36 Earnings in Foreign Exchange

(Rupees in lakhs)

Particulars	2013-14	2012-13
FOB Value of Exports	26,051.70	68,586.03
Others	-	-
Total	26,051.70	68,586.03

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

Trade payables (Ref: Note No.10 -Trade payables include Rs.Nil (31.03.2013: Rs.Nil) due to micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006). The Company has not received any memorandum(as required to be filed by the supplier with the notified authority under the MSMED Act 2006) claiming their status as Micro or Small or Medium Enterprises.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

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	1,428.53	1,428.53
		<i>2,055.27</i>	<i>2,055.27</i>
Asian Tide Enterprises Limited	Subsidiary	396.58	396.58
		<i>552.01</i>	<i>552.01</i>

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

Figures in italics relate to previous period

39 Scheme of Amalgamation

The management committee has decided to withdraw the Scheme of Amalgamation of M/s Lakshmi Gayatri Industries Private Limited, M/s Glade Steel Private Limited, M/s Sri Ganga Steel Enterprises Private Limited and M/s Topaz Steel India Limited, the company filed its petition before Hon'ble High Court of Andhra Pradesh and withdrawal of amalgamation order was issued by Hon'ble High Court, AP on 17-12-2013.

40 Stressed Assets Stabilization Fund (SASF) has communicated as follows

SASF vide their letter dated 02 December 2010 has confirmed a Negotiated Settlement (NS) for the aggregate balance term loan outstanding as on 31 December 2009 (being the cut-off date) in respect of the Company and other Company viz. Sri Ganga Enterprises Limited (Company to be taken over in the scheme of amalgamation) to the extent of Rs.7,706.00 lakhs, with following terms and conditions:

- Rs.3,051.00 lakhs to be paid in cash of which an amount of Rs.600 lakhs was paid against the crystallized cash portion of the settlement amount and balance amount shall be payable in equal 5 installments the date of issue of letter of approval (LOA). The first installment shall be payable within a period of one week from the date of issue of LOA, of which the Company has paid Rs.1,150 lakhs towards interest and principal during the previous period.
- Of the balance restructured term loan Rs.4,655 lakhs is to be converted into equity share of Company as per SEBI Guidelines and 9% p.a interest shall be payable till the date of conversion. Based on the NS, a consolidated interest waiver of Rs.1300 lakhs has been given by SASF. In view of pending amalgamation of Sri Ganga Enterprises Limited and non compliance of certain terms and conditions, the Company has not accounted the term loan liability relating to amalgamating Company (payable to SASF) and the interest waiver to the extent of Rs.1,300 lakhs in the books during the period.

Further the company vide its letter dated 21 March 2012 requested the SASF for modifications in the terms of negotiated settlement conveyed above vide letter No.BY/SASFSujana Metal/No.1793 dated 02 December 2010. The SASF vide its letter dated 02 April 2012 has agreed to extend the time for conversion of Rs.4,655 lakhs into equity upto 31 March 2013 subject to payment of interest @ 9% per annum w.e.f 01 April 2010 and also agreed to reschedule the payment of balance cash portion of settlement amount aggregating Rs.2,400 lakhs(subject to reconciliation) . The terms of payment are as follows.

- Payment of 50 lakh per quarter during the first year commencing from 01 July 2011, payment

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of Rs.75 lakhs per quarter during the second year commencing from 01 July 2013 and balance amount shall be payable in 12 equal quarterly installments commencing from 01 July 2014.

- b) Interest @9% p.a on the settlement shall be payable along with the above installments. In view of the pending compliance of certain terms and conditions mentioned above, the scheme has not been given effect in the books.

Further as per SASF letter dated 15th March, 2013, crystallizes the SASF dues to Rs.6,600 lakhs and is to be paid in cash carrying ROI @ 9% p.a payable over 9 1/2 years and balance Rs. 1800 lakhs to be converted into equity as per SEBI Guidelines. After giving effect to the CDR it was decided that SASF dues as per June, 2008 package should be considered for restructuring at par with other lenders including clearance of interest overdue as on COD (October 1, 2012). As per Bank's advice Interest and other overdues of Rs18.20 crore as on COD, is to be cleared for restructuring of dues at CDR.

41 IMPLEMENTATION & TERMS OF CDR:

The loans of the company have been restructured under the Corporate Debt Restructuring (CDR) System, The CDR package was sanctioned by CDR Empowered Group, at the meeting held on 15.02.2013 and approval letters have been given by the CDR Cell on 25.03.2013. where all the banks, who have extended financial assistance & given the loans to the company, have agreed for restructure of the loans.

The letters from individual banks also have been issued by Banks & Salient Features of the CDR package are given below:-

- i) Cut-off date (COD) for loans has been considered as 1st October, 2012. The loans outstanding as on this date has been considered for restructuring.
- ii) Interest rate on the loans has been fixed at 11% p.a. during the moratorium period (24 months) from cut off date after that it is 13%.
- iii) Term Loans have been restructured with a moratorium of 24 months from COD and repayable in 96 equal monthly installments starting from 1st October 2014.
- iv) The irregularity in the Cash Credit has been carved out as Working Capital Term Loan with a moratorium of 24 months from COD and repayable in 96 equal monthly installments starting from 1st October 2014.
- v) The unpaid interest as on 30.09.2012 and interest from 01.10.2012 to 28.02.2013 on term loans and interest from 01.10.2012 to 28.02.2013 on WCTL has been restructured as Funded Interest Term Loan-I, repayable in 54 equal monthly installments starting from FY Oct 31, 2014 and ending with March 31, 2019, after FITL - I is completely built up.
- vi) The interest on Cash Credit from October 2012 to March, 2013 has been restructured as Funded Interest Term Loan-II, repayable in 54 equal monthly installments starting from April 30, 2013 and ending with September 2017, after FITL - II is completely built up.
- vii) The Interest on loan from SASF cut off date Oct 1, 2012 till September 30, 2014 shall be converted into FITL I and interest would be charged at 11%p.a. at monthly rests with a right to reset after two years from cut-off date & thereafter annually. Interest on FITL - I shall be serviced as and when due. Interest overdue prior to COD would be converted to FITL I(A) to be repaid from FY 2014 to FY 2018 with 9% interest p.a. at monthly rests.
- viii) The Principle of SASF has been given moratorium of 24 months from COD and repayable in 96 equal monthly instalments over a period of 8 years starting from Oct 31, 2014 and ending with September 30, 2022.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- ix) Cash Credit and the Non-fund based limits as per the appraisal of the banks.
- x) Promoters shall bring funds as per the applicable terms of CDR package.
- xi) The lenders shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders as per guidelines.

The CDR package has been implemented in all respects with PNB as the monitoring agency for monitoring the implementation of the CDR package.

- 42 The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.). The leasing arrangements, which are not non-cancellable, range between ten months and three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals Rs.148.51 lakhs (31.03.2013:Rs.145.20 lakhs) payable are charged as rent in to the statement of profit and loss.
- 43 Balances of Unsecured loans, receivables, payables and loans and advances are subjects to their confirmation and reconciliations.
- 44 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

R K Birla
Managing Director

S. Hanumantha Rao
Director - Finance

Ch. Narayana Rao
Vice President (Finance & Accounts)

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May, 2014

SUJANA METAL PRODUCTS LIMITED

**Consolidated
Financial Statements
for the Year Ended
31.03.2014**



INDEPENDENT AUDITORS' REPORT

To The Board of Directors of

M/s. Sujana Metal Products Limited.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of M/s. SUJANA METAL PRODUCTS LIMITED ("the Company") and its subsidiaries (collectively referred to as "the group") which comprise the Consolidated Balance Sheet as at March 31st 2014, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements 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 Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 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 internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on considerations of the report of the other auditors on financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

SUJANA METAL PRODUCTS LIMITED

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss Account, of profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for Group for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.1,41,603.26 lakhs as at March 31, 2014, total revenue of Rs 52,940.42 lakhs and net cash outflows amounting to Rs.10.11 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matter.

For CRK&ASSOCIATES
Chartered Accountants
Firm Reg. No: 010004S

C. Rajendra Kumar, FCA
Partner
Membership No. 23103

Place: Hyderabad
Date: 30th May, 2014



Consolidated Balance sheet as at 31st March , 2014

Rupees in lakhs

	Note No	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share Capital	3	11,310.91	11,310.91
b) Reserves and Surplus	4	75,527.65	75,711.73
		86,838.56	87,022.64
2 Minority Interest		770.65	769.32
3 Non- current liabilities			
a) Long-term Borrowings	5	94,008.76	80,588.76
b) Deferred tax liabilities (net)	6	6,850.41	6,164.75
c) Other long-term liabilities	7	119.28	92.91
d) Long- term provisions	8	291.54	242.97
		101,269.99	87,089.39
4 Current liabilities			
a) Short-term Borrowings	9	68,736.77	53,653.00
b) Trade Payables	10	149,824.41	93,256.48
c) Other Current liabilities	11	10,084.37	7,447.30
d) Short-term provisions	12	2,037.03	2,230.98
		230,682.58	156,587.76
TOTAL		419,561.78	331,469.11
II ASSETS			
1 Non- current assets			
a) Fixed Assets			
i) Tangible Assets	13A	52,200.29	47,735.63
iii) Capital Work in Progress		2,188.33	5,455.78
		54,388.62	53,191.41
b) Goodwill (On Consolidation)		326.96	326.96
c) Long-term loans and advances	14	35,778.35	8,257.29
		90,493.93	61,775.66
2 Current assets			
a) Current Investments	15	3.88	3.82
b) Inventories	16	28,003.97	15,803.48
c) Trade Receivables	17	276,844.56	236,867.77
d) Cash and Bank balances	18	1,972.68	2,239.12
e) Short-term loans and advances	19	21,671.52	14,576.07
f) Other current assets	20	571.24	203.20
		329,067.85	269,693.46
TOTAL		419,561.78	331,469.11

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For CRK & Associates

R K Birla

S. Hanumantha Rao

Chartered Accountants

Managing Director

Director - Finance

C. Rajendra Kumar

Ch. Narayana Rao

Shaik Ibraheem

Partner

Vice President (Finance & Accounts)

Company Secretary

Place : Hyderabad

Place : Hyderabad

Date : 30th May 2014

Date : 30th May 2014

SUJANA METAL PRODUCTS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March 2014

		Rupees in lakhs	
	Note No	For the year ended 31 March 2014	For the year ended 31 March 2013
I. Revenue			
Revenue from operations (gross)		344,406.61	431,461.67
Less: Excise duty		7,078.08	9,096.07
Revenue from operations (net)	21	337,328.53	422,365.60
Other income	22	2,161.28	2,349.02
Total revenue		339,489.81	424,714.62
II. Expenses			
Cost of materials	23.a&b	320,221.82	386,931.09
Change in inventories of finished goods ,work in progress and stock- in-trade	23.c	(11,035.61)	(921.58)
Employee benefit expenses	24	2,320.93	2,407.14
Finance costs	25	17,277.09	18,133.03
Depreciation and amortisation expense	13A&13B	3,862.38	4,158.40
Other expenses	26	8,900.94	9,844.03
Total expenses		341,547.55	420,552.11
III. Profit before tax (I-II)		(2,057.74)	4,162.51
IV. Tax expense:			
		-	
a) Current tax for current year		31.83	34.10
b) MAT credit relating to earlier years		-	-
c) Current tax credit relating to earlier years		2.23	-
d) Fringe benefit tax written back of earlier years		-	-
		34.06	34.10
e) Deferred tax		685.66	(14.40)
		719.72	19.70
V. Profit for the year/period before minority Interest (III-IV)		(2,777.46)	4,142.81
Minority Interest		(1.33)	(24.70)
Profit for the year/period after minority Interest		(2,778.79)	4,118.11
Earnings per equity share of Rs. 5/- each (Refer Note No.30)			
Basic Rs.		(1.42)	2.11
Diluted Rs.		(1.42)	2.11

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For CRK & Associates

Chartered Accountants

C. Rajendra Kumar

Partner

Place : Hyderabad

Date : 30th May 2014

For and on behalf of the Board of Directors

R K Birla

Managing Director

Ch. Narayana Rao

Vice President (Finance & Accounts)

Place : Hyderabad

Date : 30th May 2014

S. Hanumantha Rao

Director - Finance

Shaik Ibraheem

Company Secretary



Cash flow statement for the Year ended 31 March 2014

Rupees in lakhs

Particulars	For the Year ended 31 March 2014	For the Year ended 31 March 2013
Cash flow from operating activities		
Net profit before tax	(2,057.74)	4,162.51
Adjustments for:	-	
Depreciation and amortisation	3,862.38	4,158.40
Extraordinary Item	-	-
Loss on sale of fixed assets (net)	0.98	11.62
Net unrealised exchange gain	2,084.54	(569.95)
Finance costs	17,277.09	18,133.03
Interest income	(498.34)	(440.06)
Loss on sale of current investment	-	2.57
Adjustments to the carrying amount of current investments	(0.05)	0.39
Dividend income on current investment	-	-
Operating profit before working capital changes	20,668.86	25,458.51
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(12,200.49)	439.06
Trade receivables	(39,462.31)	(75,874.61)
Long-term loans and advances	(28,222.35)	1,346.30
Short-term loans and advances	(7,305.45)	16,417.25
Other current assets	0.01	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	56,581.00	28,263.28
Other current liabilities	1,995.96	(19,346.20)
Other long-term liabilities	26.37	(8,613.72)
Other Short-term liabilities	41.05	42.10
Provision for employee benefits	48.57	35.86
Cash generated from operations	(7,828.78)	(31,832.17)
Net income tax paid	(58.94)	(449.86)
Net cash flow from operating activities	(A) (7,887.72)	(32,282.03)
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(5,454.36)	(1,742.75)
Receipt of capital advances	-	-
Proceeds from sale of fixed assets	2.59	6.97
(Increase)/decrease in restricted cash	71.99	3,235.11
Advances given to subsidiaries	1,092.49	(4,432.87)
Revaluation of current investments	-	(0.54)
Foreign Currency Translation Adjustment	-	1,041.68
Interest received	130.12	495.45
Net cash used in investing activities	(B) (4,157.17)	(1,396.95)

SUJANA METAL PRODUCTS LIMITED

Cash flow statement for the Year ended 31 March 2014

Rupees in lakhs

Particulars	For the Year ended 31 March 2014	For the Year ended 31 March 2013
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Share premium received	-	-
Proceeds from long-term borrowings	13,420.00	52,921.02
Repayment of long-term borrowings	-	(15.69)
Increase in short-term borrowings	15,083.77	(3,426.47)
Dividend paid including tax there on	(17.36)	-
Interest and other borrowing costs paid	(16,635.98)	(17,659.73)
Net cash (used in)/from financing activities (C)	11,850.43	31,819.13
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(194.45)	(1,859.85)
Cash and cash equivalents at the beginning of the year/period	370.06	2,229.91
Exchange difference on translation of foreign currency cash and cash equivalents		
Cash and cash equivalents at the end of the year/period	175.61	370.06
Notes:		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.		
2. Reconciliation of Cash and cash equivalents with balance sheet:		
Cash and bank balances as per balance sheet	1,972.68	2,239.12
Less: Balances in earmarked accounts	-	
- balance held as margin monies	1,797.07	1,869.06
Net cash and cash equivalents at the end of the year/period	175.61	370.06
See accompanying notes forming part of the Consolidated financial statements		

In terms of our report attached

For and on behalf of the Board of Directors

For CRK & Associates
Chartered Accountants

R K Birla
Managing Director

S. Hanumantha Rao
Director - Finance

C. Rajendra Kumar
Partner

Ch. Narayana Rao
Vice President (Finance & Accounts)

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May, 2014

Place : Hyderabad
Date : 30th May 2014



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

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

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

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

2 Significant accounting policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b Principles of Consolidation:

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

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

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

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

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

Minority interest consists of:

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

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c Use of Estimates

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

d Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises the purchase price (net of rebates and discounts) and any other directly attributable costs of bringing the assets to working condition for their intended use. Costs of construction consists of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets up to the date when the asset is ready to use.

Depreciation on fixed assets is provided using the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of a Fixed Asset at the time of acquisition of the Asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life.

Depreciation is calculated on a pro-rata basis from/up to the date the assets are purchased / sold. Individual assets costing less than Rs. 5,000 are depreciated fully in the year of purchase.

e Investments

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

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

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

f Revenue Recognition

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

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

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

g Inventories

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

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

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

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

h Employee Benefits

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

Defined Benefit Plan

i) Gratuity

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

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

ii) Compensated Absences

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

Defined Contribution Plan

i) Provident Fund

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

i Foreign Currency Transactions

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

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

j **Borrowing Costs**

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

k **Taxes on Income**

i **Indian Entity:**

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

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

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

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

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

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

ii **Foreign Entity:**

Foreign companies recognize tax liabilities and assets in accordance with local laws.

l **Earnings per Share**

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

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

m Impairment of assets

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

n Provisions, Contingent Liabilities and Contingent Assets

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 3: Share capital		
Authorised		
i) 310,000,000 (31.03.2013:310,000,000) Equity Shares of Rs.5 each	15,500.00	15,500.00
ii) 4,500,000 (31.03.2013:4,500,000) Preference Shares of Rs. 100 each	4,500.00	4,500.00
Issued, subscribed and fully paid up		
i) 196,350,881 (31.03.2013:196,350,881) Equity Shares of Rs. 5 each	9,817.54	9,817.54
ii) 1,493,365 (31.03.2013:1,493,365) 1% Cumulative Redeemable Preference Shares of Rs.100 each	1,493.37	1,493.37
	11,310.91	11,310.91

Notes:

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

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Number	Amount	Number	Amount
a) Equity(including shares represented by underlying GDRs)				
Shares outstanding at the beginning of the year/ period	196,350,881	9,817.54	196,350,881	9,817.54
Shares issued during the year/period	-	-	-	-
Shares bought back during the year/ period	-	-	-	-
Shares outstanding at the end of the year/ period	<u>196,350,881</u>	<u>9,817.54</u>	<u>196,350,881</u>	<u>9,817.54</u>
b) Cumulative Redeemable Preference Shares				
Shares outstanding at the beginning of the year/ period	1,493,365	1,493.37	1,493,365	1,493.37
Shares Issued during the year/period	-	-	-	-
Shares redeemed during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	<u>1,493,365</u>	<u>1,493.37</u>	<u>1,493,365</u>	<u>1,493.37</u>

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% held	No. of Shares held	% held
a) Equity shares of Rs. 5 each fully paid				
Yalamanchili Finance & Trading Pvt Ltd	26,766,461	13.63	26,766,461	13.63
Foster Infin and Trading Pvt Limited	25,000,000	12.73	25,000,000	12.73
Deutsche Bank Trust Company Americas	-	-	12,946,000	6.59
Stressed Assets Stabilisation Fund	12,759,682	6.50	12,759,682	6.50
Sujana Holdings Limited	10,000,000	5.09	10,000,000	5.09
b) Cumulative Redeemable Preference Shares of Rs.100 each fully paid				
IDBI Bank Limited	1,493,365	100.00	1,493,365	100.00



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

iii) 13,140,489 Equity shares issued as fully paid up to the share holders of erstwhile Sujana Steels Limited on its amalgamation with the company, for consideration other than cash.

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

In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

v) Redemption of Cumulative Redeemable Preference Shares (CRPS).

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

Three quarterly installment of Rs. 369.93 has been paid to IDBI(preferance share holder) for redemption of 3,73,340 numbers of 1% preference shares of Rs.100 each. However these shares were not received by the company from IDBI for redemption. Hence the amount of Rs.369.93 lakhs has been classified as advance.

	As at 31 March 2014	As at 31 March 2013
Note 4: Reserves and surplus		
i) Capital reserve		
Opening balance	9,880.43	9,880.43
Add: Additions during the year/period	-	-
Closing balance	<u>9,880.43</u>	<u>9,880.43</u>
ii) CRPS redemption reserve		
Opening balance	1,493.37	1,256.25
Add: Additions during the year/period	-	237.12
Closing balance	<u>1,493.37</u>	<u>1,493.37</u>
iii) Securities premium account		
Opening balance	35,430.34	35,430.34
Add: Premium on shares issued during the year/period	-	-
Closing balance	<u>35,430.34</u>	<u>35,430.34</u>
iv) Foreign Currency Translation Reserve		
Opening balance	3,445.64	2,403.96
Add: Additions during the year/period	2,612.08	1,041.68
Closing balance	<u>6,057.72</u>	<u>3,445.64</u>
v) General reserve	698.64	698.64
vi) Surplus in statement of profit and loss	-	-
Opening balance	24,763.30	20,874.96
Add: Profit for the year/period	(2,778.79)	4,142.81
Foreign Currency Transaltion Reserve		
Less: Appropriations	-	-
Proposed dividend on CRPS	14.93	14.93
Dividend distribution tax	2.43	2.42
CRPS redemption reserve	-	237.12
Closing balance	<u>21,967.15</u>	<u>24,763.30</u>
	<u>75,527.65</u>	<u>75,711.73</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 5: Long term borrowings		
Secured		
a) Term loans from		
i) Banks	26,267.15	27,134.91
ii) Financial institutions	6,550.72	6,556.88
b) Funding of Intrest on Term Loan		
i) FITL - I	8,236.33	2,173.03
ii) FITL -II	1,820.32	2,037.33
iii) W C T L	48,633.44	41,753.36
iv) FITL ON WCTL	2,487.16	897.42
c) Vehicle loans from		
i) Banks	13.64	35.83
ii) Others	-	-
	94,008.76	80,588.76

Notes:

Term loan from banks viz. Punjab National Bank, Bank of India, Indian Overseas Bank, IDBI Bank and Andhra Bank are secured by first chare on all the immovable and movable fixed asets 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 and properties of certain directors.

During the year the company availed additional Term Loan taken from Andhra Bank Rs.271.00 lakhs, Bank of Ondia Rs.269.00 laks, IOB Rs.154.00 lakhs and PNB Rs.406.00 lakhs carries an interest rate of 11 % p.a for upgradation of technology at Shadnagar and Suryapet units.

As per CDR Terms of repayment are as follows:

- i) Loan taken from Andhra Bank, Rs.50.91Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October ,2014.
- ii) Loan taken from Indian Overseas Bank, Rs.32.60Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October ,2014.
- iii) Loan taken from Bank Of India, Rs. 54.61Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October ,2014.
- iv) Loan taken from Punjab National Bank, Rs.90.86Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October ,2014.
- v) Loan taken from IDBI, Rs. 22.38Crores, carries an interest rate of 11 % p.a from 1st October, 2012 till 30 th September,2014 and there after 13% p.a and is repayable in 96 monthly installments commencing from 1 st October ,2014.
- vi) Term loan from financial institutions viz Stressed Assets Stabilization Fund (SASF) secured by first charge on all the immovable and movable fixed assets of the company and second charge on the current assets of the company. As per SASF letter dated 15 March 2013, crystallizes the SASF dues to Rs.6,600 lakhs and is to be paid in cash carrying ROI @ 9% p.a payable over 9 1/2 years and balance Rs. 1800 lakhs to be converted into equity as per SEBI Guidelines. After giving effect



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

to the CDR it was decided that SASF dues as per June, 2008 package should be considered for restructuring at par with other lenders including clearance of interest overdue as on COD (October 1, 2012). As per Bank's advice Interest and other overdues of Rs18.20 crore as on COD, is to be cleared for restructuring of dues at CDR.

- vii) Overdue interest on Term Loans, SASF & Working Capital was converted to 'Funding of Interest on Term Loan' amounting to Rs. 67.46Crores, which shall be repayable in 4.5years after completion of moratorium period i.e. October, 2014.
- viii) Working Capital loans were converted to Working Capital Term Loans amounting Rs.41,735.66lakhs, which shall be repayable in 8years, after completion of moratorium period i.e. Oct, 2014.
- ix) Vehicle loans from banks and others are secured by hypothecation of the vehicles financed through the loan arrangements and are repayable over a period of 36 months to 60 months.
- x) Additional Term Loan taken from Andhra Bank Rs.271.00 lakhs on 20th Jan 2014, Bank of Ondia Rs.269.00 laks, IOB Rs.154.00 lakhs and PNB Rs.406.00 lakhs carries an interest rate of 11 % p.a for upgradation of technology at Shadnagar and Suryapet units.

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	7,395.63	6,711.95
Deferred tax asset:	-	
Provision for employee benefits	136.94	113.83
Provision for doubtful trade receivables, loans and advances	408.28	433.37
	<u>545.22</u>	<u>547.20</u>
Deferred tax liabilities (net)	<u>6,850.41</u>	<u>6,164.75</u>
Note 7: Other long -term liabilities	-	
Security Deposits	90.20	91.71
Trade Paybles	-	1.20
Govt Grands - Differed Receivable	29.08	-
	<u>119.28</u>	<u>92.91</u>
Note 8: Long-term provisions		
Provision for Employee benefits	291.54	242.97
	<u>291.54</u>	<u>242.97</u>
Note 9: Short-term borrowings		
Loans repayable on demand	-	
From Banks	-	
Secured	64,551.75	51,566.87
From Others	-	
Unsecured	4,185.02	2,086.13
	<u>68,736.77</u>	<u>53,653.00</u>

- i) Loans repayable on demand includes an amount of Rs. 64551.75 lakhs (31.03.2013:Rs.51,566.87 lakhs) represents working capital loans from banks are inter alia secured by way of parri passu first

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

charge on current assets and parri passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of certain directors.

- ii) Rs.4085.02 lakhs has been brought by promoters as interest free unsecured loan under CDR scheme which shall be converted in to equity shares as per SEBI norms and Rs.100 lakhs from others in the previous year carrying an interest of 17% per annum.

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 10: Trade payables		
Acceptances	15,554.92	1,986.71
Other than acceptances	134,269.49	91,269.77
	149,824.41	93,256.48
Note 11: Other current liabilities		
Current maturities of long-term debt	1,605.93	1,613.80
Interest accrued but not due on borrowings	-	19.00
Interest accrued and due on borrowings	2,380.78	1,720.67
Other payables	37.50	-
Statutory remittances	296.05	419.73
Payables on purchase of fixed assets	3,019.71	14.64
Advances from customers	2,744.40	3,659.46
	10,084.37	7,447.30
Note 12: Short-term provisions		
Provision for employee benefits	130.54	107.88
Provision for current income tax (Net)	1,838.40	2,073.40
Provision for proposed dividend on CRPS	65.55	44.80
Provision for tax on proposed dividend	2.54	4.90
	2,037.03	2,230.98

SUJANA METAL PRODUCTS LIMITED



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13A: Tangible Assets

(Rupees in Lakhs)

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01 April 2013	Additions	Deletions	As at 31 March 2014	As at 01 April 2013	For the year	Deletions	As at 31 March 2014	As at 31 March 2013
Land- Freehold	2,230.05	-	-	2,230.05	-	-	-	2,230.05	2,230.05
Buildings	4,951.43	16.05	-	4,967.48	862.13	147.03	-	3,958.31	4,089.49
Plant & Machinery	58,996.92	8,253.36	2.02	67,248.26	20,463.23	3,431.65	0.71	43,354.08	38,535.25
Owned	-	-	-	-	-	-	-	-	-
Given under operating lease	-	-	-	-	-	-	-	-	-
Electrical Installation	2,549.54	46.14	-	2,595.68	648.43	127.78	-	1,819.47	1,899.67
Furniture & Fixtures	87.84	3.66	-	91.50	58.14	3.67	-	29.69	29.90
Office Equipment	170.18	2.83	-	173.00	47.88	7.21	-	117.90	122.18
Vehicles	688.29	1.42	3.43	686.28	310.28	55.10	1.17	322.07	377.84
Computers	955.28	7.15	-	962.43	503.79	89.93	-	368.72	451.45
TOTAL (A)	70,629.52	8,330.61	5.45	78,954.68	22,893.89	3,862.38	1.88	52,200.29	47,735.63
Previous Period	68,041.19	2,626.10	37.77	70,629.52	18,754.67	4,158.40	19.18	47,735.63	48,507.33

Note 13B: Intangible Assets

Description	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01 April 2013	Additions	Deletions	As at 31 March 2014	As at 01 April 2013	For the year	Deletions	As at 31 March 2014	As at 31 March 2013
Goodwill	28.68	-	-	28.68	28.68	-	-	28.68	-
Computer Software	-	-	-	-	-	-	-	-	-
Total (B)	28.68	-	-	28.68	28.68	-	-	28.68	-
Previous Period	28.68	-	-	28.68	28.68	-	-	28.68	-
Grand Total (A+B)	70,658.20	8,330.61	5.45	78,983.36	22,922.57	3,862.38	1.88	52,200.29	47,735.63
Previous Period	68,069.86	2,626.10	37.77	70,658.20	18,783.35	4,158.40	19.18	47,735.63	48,507.33

SUJANA METAL PRODUCTS LIMITED



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 14: Long-term loans and advances		
i) (Unsecured and considered good)		
a) Capital Advances	6,197.20	5,806.00
b) Other Advances	27,474.29	-
c) Security deposits	774.00	131.81
d) Loans and advance to related parties	-	1,092.49
e) Advance income tax [net of provisions]	-	210.00
f) MAT credit entitlement	290.66	290.66
g) Deposits with government authorities	1,042.20	726.33
(A)	<u>35,778.35</u>	<u>8,257.29</u>
ii) Doubtful		
a) Security deposits	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02
c) Other advances	-	-
	<u>351.92</u>	<u>351.92</u>
Less: Provision for doubtful advances	<u>351.92</u>	<u>351.92</u>
(B)	-	-
(A+B)	<u>35,778.35</u>	<u>8,257.29</u>
Note 15: Current investments		
(At lower of cost and fair value)		
Investment in mutual funds (Quoted)		
SBI - PSU fund dividend	5.00	5.00
50,000 (31.03.2013: '50,000' units purchased during the previous year)	-	-
Less: provision for diminution in the value of investment	(1.12)	(1.18)
	<u>3.88</u>	<u>3.82</u>
Aggregate amount of unquoted investments		
Aggregate provision for diminution in the value of current investments		
Note 16: Inventories (At lower of cost and net realisable value)		
Raw materials	2,776.94	1,368.79
Goods- in-transit	-	-
Finished goods	23,968.36	1,854.19
Goods- in-transit	-	-
Stock in trade	-	11,078.56
Stores and spares	1,258.67	1,501.94
	<u>28,003.97</u>	<u>15,803.48</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2014	As at 31 March 2013
Note 17: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	28,500.23	6,190.27
Considered Doubtful	906.44	983.73
	<u>29,406.67</u>	<u>7,174.00</u>
Less: Provision for doubtful trade receivables	906.44	983.78
(A)	<u>28,500.23</u>	<u>6,190.22</u>
Other trade receivables		
Considered Good	248,344.33	230,677.55
Considered Doubtful	-	-
	<u>248,344.33</u>	<u>230,677.55</u>
Less: Provision for doubtful trade receivables	-	-
(B)	<u>248,344.33</u>	<u>230,677.55</u>
(A+B)	<u>276,844.56</u>	<u>236,867.77</u>
Note 18: Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	23.90	57.19
Balances with Banks:	-	-
In current accounts	151.71	312.87
In EEFC account	-	-
In Deposit accounts	-	-
Other bank balances	-	-
In earmarked accounts	-	-
Balance held as margin monies	1,797.07	1,869.06
	<u>1,972.68</u>	<u>2,239.12</u>
Note 19: Short-term loans and advances		
(Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties	-	-
Security deposits	43.02	63.84
Loans and advances to employees	39.04	32.74
Prepaid expenses	14.15	48.38
Balances with government authorities	-	-
CENVAT credit receivable	969.94	1,180.28
VAT credit receivable	68.02	48.56
Advances for supply of goods and rendering of services	20,083.81	11,299.01
Others	453.54	1,903.26
	<u>21,671.52</u>	<u>14,576.07</u>
Short term loans and advances include amounts due from:		
Directors		
Note 20: Other current assets		
Interest accrued but not due on deposits	571.24	203.20
	<u>571.24</u>	<u>203.20</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2014	Year Ended 31 March 2013
Note 21: Revenue from operations		
a) Sale of products		
i) Manufactured	61,804.25	77,185.37
ii) Traded & Processed Goods	272,341.67	275,693.71
iii) Exports	2,660.53	68,554.65
b) Other operating revenues		
Conversion income	522.08	931.87
Total	337,328.53	422,365.60
Note 22: Other Income		
a) Interest on deposit with banks and others	498.34	440.06
b) Liabilities/Provisions no longer required written back	87.63	941.64
c) Net gain on foreign currency transactions and translations	1,489.84	889.17
d) Dividend income from current investments	-	-
e) Profit on sale of fixed assets (net)	-	-
f) Rental income from operating leases	9.00	9.00
g) Miscellaneous income	76.47	69.15
	2,161.28	2,349.02
Note 23 : Cost of materials		
Opening Stock	1,368.79	3,225.14
Add : Purchases	321,685.98	385,101.42
	323,054.77	388,326.56
Less : Closing stock	2,776.94	1,368.79
	320,277.83	386,957.77
Less : Transfer to capital work in progress	56.01	26.68
	320,221.82	386,931.09

Note 23.a. Details of raw materials consumed

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
Pig /Sponge Iron/Scrap	147,486	11,563.94	56,770	6,181.53
Billets / Blooms	124,199	35,528.12	164,427	50,747.49
MS Products	19,165	6,018.77	19,432	6,722.10
MS Ingots	1,958	589.16	1,872	646.05
TMT Bars*	8,956	3,218.44	16,430	6,546.33
Total	301,764	56,918.43	258,931	70,843.50
Less: Transferred to capital work in progress	-	-	-	26.68
Total	301,764	56,918.43	258,931	70,816.82

*Includes 20,525.04 MTs (31.03.2013:8,912 MTs) at zero value as there are internal transfers for which cost is not ascertainable.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
Note 23.b: Details of Purchase of traded goods				
TMT Bars	150,406	87,949.59	510,659	204,480.00
MS Rebars	447,462	173,741.13	72,078	28,873.25
H R Coils and C R Coils	-	-	9,322	4,031.70
Others	7,369	1,307.69	198,796	73,959.71
M S Scrap	1,376	304.99	14,204	4,769.61
Total	606,613	263,303.40	805,059	316,114.27

	Year Ended 31 March 2014	Year Ended 31 March 2013
Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade		
<i>Inventories at the beginning of the year:</i>		
Finished goods	1,854.19	2,705.30
Work in progress	-	-
Stock in trade	11,078.56	9,305.87
	12,932.75	12,011.17
<i>Inventories at the end of the year:</i>		
Finished goods	23,968.36	1,854.19
Work in progress	-	-
Stock in trade	-	11,078.56
	23,968.36	12,932.75
	(11,035.61)	(921.58)
Note 24: Employee benefit expenses		
Salaries, wages and bonus	2,118.31	2,220.31
Contribution to provident and other funds	160.94	137.52
Staff welfare expenses	41.68	49.31
	2,320.93	2,407.14
Note 25: Finance costs		
Interest expense on	-	-
Borrowings	15,970.50	16,203.90
Other borrowing costs	1,306.59	1,929.13
	17,277.09	18,133.03

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	Year Ended 31 March 2014	Year Ended 31 March 2013
Note 26: Other expenses		
Consumption of stores, spares and consumables	1,478.41	1,151.23
Power and fuel	4,421.21	4,892.15
Other manufacturing expenses	272.41	191.25
Equipment hire charges	31.49	40.14
Job work charges	626.11	872.24
Increase/(decrease) of excise duty on inventory	(3.09)	(93.62)
Rent includes lease rentals	139.51	136.20
Repairs and Maintenance-Buildings	7.24	23.55
Repairs and Maintenance-Machinery	48.69	78.97
Repairs and Maintenance-Others	25.89	8.33
Insurance	64.71	65.73
Rates and taxes	107.97	106.92
Factory maintenance	53.40	52.51
Printing and stationery	22.57	23.24
Communication	46.57	47.45
Travelling and conveyance	306.74	272.37
Legal and professional	302.42	367.94
Payments to auditors (Refer Note (i) below)	45.45	46.95
Security Charges	126.37	108.88
Donations	1.00	8.84
Sales commission	2.27	26.73
Sales discount	30.30	57.50
Business promotion	41.93	72.20
Freight outwards	645.78	602.03
Directors' fees	2.40	2.80
Provision for doubtful trade receivables, loans and advances	(77.34)	539.08
Adjustments to carrying amount of current investments	(0.05)	0.39
Miscellaneous expenses	127.68	127.84
Loss on sale of fixed assets	0.98	11.62
Preliminary Expenses Written Off	1.92	2.57
	8,900.94	9,844.03

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the Company	Percentage of voting power as at 31 March 2014	Percentage of voting power as at 31 March 2012	Country of Incorporation
Subsidiaries (held directly)			
Glade Steel Pvt Ltd.	51.15%	51.15%	India
Alpha Ventures Ltd.	100.00%	100.00%	Cayman Islands
Asian Tide Ventures Ltd.	100.00%	100.00%	Hong Kong
Subsidiary (held indirectly)			
Optimix Enterprises Limited (w.e.f 22.08.2011)	100.00%	-	Mauritius

28 Employee Benefits

Defined contribution plans:

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.60.66 lakhs (31.03.2013: Rs.66.77 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, 2014 is Rs.298.87 lakhs (31-3-2013: Rs.248.20 lakhs) of which Rs.13.90 lakhs (31.3.2013: 5.02lakhs) is funded with the Life Insurance Corporation of India. The balance of Rs.284.97 lakhs (31-3-2013: Rs.243.18 lakhs) is included in Provision for Gratuity. The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

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

Amount to be recognised in balance sheet (Rupees in lakhs)

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	298.87	137.10	435.97
	248.20	107.66	355.86
Fair value of plan assets	(13.90)	-	(13.90)
	(5.02)	-	(5.02)
Net liability	284.97	137.10	422.07
	243.18	107.66	350.84

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 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 LIC's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE 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	39.14	29.43	68.57
	<i>36.65</i>	<i>17.06</i>	<i>53.71</i>
Interest Cost	20.35	8.83	29.18
	<i>19.80</i>	<i>7.79</i>	<i>27.59</i>
Expected return on plan assets	(0.30)	-	(0.30)
	<i>(1.07)</i>	-	<i>(1.07)</i>
Actuarial (Gains)/Losses	(0.34)	7.95	7.61
	<i>(26.76)</i>	<i>12.55</i>	<i>(14.21)</i>
Total included in employee benefit expense	58.85	46.21	105.06
	<i>28.62</i>	<i>37.40</i>	<i>66.02</i>
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	248.20	107.67	355.87
	<i>230.25</i>	<i>90.60</i>	<i>320.85</i>
Current Service Cost	39.14	29.43	68.57
	<i>36.65</i>	<i>17.06</i>	<i>53.71</i>
Interest Cost	20.35	8.83	29.18
	<i>19.80</i>	<i>7.79</i>	<i>27.59</i>
Actuarial (Gains)/Losses	(0.34)	7.95	7.61
	<i>(26.76)</i>	<i>12.55</i>	<i>(14.21)</i>
Benefits Paid	(8.48)	(16.78)	(25.26)
	<i>(11.74)</i>	<i>(20.34)</i>	<i>(32.08)</i>
Closing defined benefit obligation	298.87	137.10	435.97
	<i>248.20</i>	<i>107.66</i>	<i>355.86</i>
Opening fair value of plan assets	5.02	-	5.02
	<i>15.67</i>	-	<i>15.67</i>
Expected return on plan assets	0.30	-	0.30
	<i>1.07</i>	-	<i>1.07</i>
Contributions by employer	17.06	-	17.06
	<i>0.02</i>	-	<i>0.02</i>
Benefits Paid	(8.48)	-	(8.48)
	<i>(11.74)</i>	-	<i>(11.74)</i>
Closing Fair Value of Plan Assets	13.90	-	13.90
	<i>5.02</i>	-	<i>5.02</i>
Assumptions			
Interest / Discount Rate			9.15%
			<i>8.60%</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			3.00%
			<i>3.00%</i>
Note: Figures in italics relate to previous period			

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

iii) Salary Escalation Rate

(Rupees in lakhs)

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	2013-14	2012-13	2011-12	2009-11	2008-09
Gratuity					
Present value of defined benefit obligation	298.87	248.20	230.26	192.75	135.52
Fair value of plan assets	13.90	5.02	15.67	-	-
Status [Surplus / (Deficit)]	(284.97)	(243.18)	(241.59)	(192.75)	(135.52)
Compensated Absences					
Present value of defined benefit obligation	137.10	107.66	90.60	63.21	27.73
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(137.10)	(107.66)	(90.60)	(63.21)	(27.73)

29 Related Party Disclosure

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

List of Related Parties

1. Subsidiaries

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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2. Key Management Personnel

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

3. List of Related Parties

Sl. No	Name of the Company	Sri Y S Chowdary	Sri G S Raju	Sri 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 Limited	√	√	√
6	Sujana Power (Gangikondan) Limited	√		√
7	Sujana Power (India) Limited	√	√	√
8	Sujana Power (Tuticorin) Limited	√		√
9	Sujana Projects Limited	√	√	√
10	Sujana Towers Limited	√	√	√
11	Yalamanchili Finance and Trading Private Limited	√	√	
12	Sujana Pumps & Motors Pvt. Ltd			

Note: Related parties have been identified by the management.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

Related Party Transactions:				
Particulars	Subsidiaries		Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13
A). Sales				
Glade Steel Private Limited	-	191.92	-	-
Sujana Universal Industries Limited			3,964.94	1,704.72
Sujana Towers Limited			2,204.38	1,303.16
SUB-TOTAL	-	191.92	6,169.32	3,007.88
B). Purchases				
Glade Steel Private Limited	-	-	-	-
Sujana Universal Industries Limited			10,644.42	20,844.70
Sujana Towers Limited			2,022.45	1,049.08
SUB-TOTAL	-	-	12,666.87	21,893.78
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	-	-	4,038.05	-
SUB-TOTAL	-	-	4,038.05	-
F). Other Income				
Sujana Universal Industries Limited	-	-	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	-	-	120.36	120.36
Mr. Hanumantha Rao - Director (Finance)	-	-	13.80	10.20
SUB-TOTAL	-	-	134.16	130.56



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in lakhs)

30 Earnings Per Share

Particulars	2013-14	2012-13
Profit After Tax	(2,777.46)	4,142.81
Less: Preference Dividend including tax thereon	17.36	17.35
Profit attributable to ordinary share holders	(2,794.82)	4,125.46
Profit attributable to ordinary share holders- for diluted EPS	(2,794.82)	4,125.46
Weighted average number of ordinary shares used in computing Basic Earnings per Share	196,350,881	196,350,881
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.	196,350,881	196,350,881
Earnings per share - Face Value: Rs. 5/- each		
Basic - Rs.	(1.42)	2.11
Diluted - Rs.	(1.42)	2.11

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

Particulars	As at 31 March 2014	As at 31 March 2013
a) Contingent liabilities		
i) Claims against the Company not acknowledged as debts in respect of:		
Excise Duty	2,120.20	2,116.87
Custom Duty	839.49	797.67
TNVAT/APGST/CST	2,198.12	2,179.39
Income Tax (Net of liability as per return)	1,479.25	1,517.25
FEMA*	400.00	630.00
ii) Guarantees		
Corporate Guarantees furnished on behalf of Sujana Universal Industries Ltd	81,410.00	81,410.00
Corporate guarantee furnished on behalf of Optimix Enterprises Limited (USD 75 lakhs)	4,087.50	4,087.50
b) Commitments		
i. Export commitments on account of import of machinery and equipments at concessional duty under EPCG scheme (31.03.2012 :Rs.112.916Lakhs) .Such export commitments need to be fulfilled by the Company on or before 23 April 2016. As on 31 March 2012,the Company has fulfilled its export commitments and which are pending final approval of Director General of Foreign Trade. In the event of non-fulfillment of the export commitments by 23 April 2016 by the Company, the liability (excluding interest and penalties) towards customs duty	112.16	112.16

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

32 Scheme of Amalgamation

The management committee has decided to withdraw the Scheme of Amalgamation of M/s Lakshmi Gayatri Industries Private Limited, M/s Glade Steel Private Limited, M/s Sri Ganga Steel Enterprises Private Limited and M/s Topaz Steel India Limited, the company filed its petition before Hon'ble High Court of Andhra Pradesh and withdrawal of amalgamation order was issued by Hon'ble High Court, AP on 17-12-2013.

33 Stressed Assets Stabilization Fund (SASF) has communicated as follows

SASF vide their letter dated 02 December 2010 has confirmed a Negotiated Settlement (NS) for the aggregate balance term loan outstanding as on 31 December 2009 (being the cut-off date) in respect of the Company and other Company viz. Sri Ganga Enterprises Limited (Company to be taken over in the scheme of amalgamation) to the extent of Rs.7,706.00 lakhs, with following terms and conditions:

- a) Rs.3,051.00 lakhs to be paid in cash of which an amount of Rs.600 lakhs was paid against the crystallized cash portion of the settlement amount and balance amount shall be payable in equal 5 installments the date of issue of letter of approval (LOA). The first installment shall be payable within a period of one week from the date of issue of LOA, of which the Company has paid Rs.1,150 lakhs towards interest and principal during the previous period.
- b) Of the balance restructured term loan Rs.4,655 lakhs is to be converted into equity share of Company as per SEBI Guidelines and 9% p.a interest shall be payable till the date of conversion. Based on the NS, a consolidated interest waiver of Rs.1300 lakhs has been given by SASF. In view of pending amalgamation of Sri Ganga Enterprises Limited and non compliance of certain terms and conditions, the Company has not accounted the term loan liability relating to amalgamating Company (payable to SASF) and the interest waiver to the extent of Rs.1,300 lakhs in the books during the period.

Further the company vide its letter dated 21 March 2012 requested the SASF for modifications in the terms of negotiated settlement conveyed above vide letter No.BY/SASFSujana Metal/No.1793 dated 02 December 2010. The SASF vide its letter dated 02 April 2012 has agreed to extend the time for conversion of Rs.4,655 lakhs into equity upto 31 March 2013 subject to payment of interest @ 9% per annum w.e.f 01 April 2010 and also agreed to reschedule the payment of balance cash portion of settlement amount aggregating Rs.2,400 lakhs(subject to reconciliation) . The terms of payment are as follows.

- a) Payment of 50 lakh per quarter during the first year commencing from 01 July 2011, payment of Rs.75 lakhs per quarter during the second year commencing from 01 July 2013 and balance amount shall be payable in 12 equal quarterly installments commencing from 01 July 2014.
- b) Interest @9% p.a on the settlement shall be payable along with the above installments. In view of the pending compliance of certain terms and conditions mentioned above, the scheme has not been given effect in the books.

Further as per SASF letter dated 15 March 2013, crystallizes the SASF dues to Rs.6,600 lakhs and is to be paid in cash carrying ROI @ 9% p.a payable over 9 1/2 years and balance Rs. 1800 lakhs to be converted into equity as per SEBI Guidelines. After giving effect to the CDR it was decided that SASF dues as per June, 2008 package should be considered for restructuring at par with other lenders including clearance of interest overdue as on COD (October 1, 2012). As per Bank's advice Interest and other overdues of Rs18.20 crore as on COD, is to be cleared for restructuring of dues at CDR.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34 IMPLEMENTATION & TERMS OF CDR:

The loans of the company have been restructured under the Corporate Debt Restructuring (CDR) System, The CDR package was sanctioned by CDR Empowered Group, at the meeting held on 15.02.2013 and approval letters have been given by the CDR Cell on 25.03.2013. where all the banks, who have extended financial assistance & given the loans to the company, have agreed for restructure of the loans.

The letters from individual banks also have been issued by Banks & Salient Features of the CDR package are given below:-

- i) Cut-off date (COD) for loans has been considered as 1st October 2012. The loans outstanding as on this date has been considered for restructuring.
- ii) Interest rate on the loans has been fixed at 11%p.a. during the moratorium period (24 months) from cut off date after that it is 13%.
- iii) Term Loans have been restructured with a moratorium of 24 months from COD and repayable in 96 equal monthly installments starting from 1st October 2014.
- iv) The irregularity in the Cash Credit has been carved out as Working Capital Term Loan with a moratorium of 24 months from COD and repayable in 96 equal monthly installments starting from 1st October 2014.
- v) The unpaid interest as on 30.09.2012 and interest from 01.10.2012 to 28.02.2013 on term loans and interest from 01.10.2012 to 28.02.2013 on WCTL has been restructured as Funded Interest Term Loan-I, repayable in 54 equal monthly installments starting from FY Oct 31, 2014 and ending with March 31, 2019, after FITL - I is completely built up.
- vi) The interest on Cash Credit from October 2012 to March, 2013 has been restructured as Funded Interest Term Loan-II, repayable in 54 equal monthly installments starting from April 30, 2013 and ending with September 2017, after FITL - II is completely built up.
- vii) The Interest on loan of NBFC from cut off date Oct 1, 2012 till September 30, 2014 shall be converted into FITL I and interest would be charged at 11%p.a. at monthly rests with a right to reset after two years from cut-off date & thereafter annually. Interest on FITL - I shall be serviced as and when due. Interest overdue prior to COD would be converted to FITL I(A) to be repaid from FY 2014 to FY 2018 with 9% interest p.a. at monthly rests.
- viii) The Principle of NBFC has been given moratorium of 24 months from COD and repayable in 96 equal monthly instalments over a period of 8 years starting from Oct 31, 2014 and ending with September 30, 2022.
- ix) Cash Credit and the Non-fund based limits as per the appraisal of the banks.
- x) Promoters shall bring funds as per the applicable terms of CDR package.
- xi) The lenders shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders as per guidelines.

The CDR package has been implemented in all respects with PNB as the monitoring agency for monitoring the implementation of the CDR package.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 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.148.51 lakhs (31.03.2013:Rs.145.20 lakhs) payable are charged as rent in to the statement of profit and loss.
- 36 Balances of Unsecured loans, receivables, payables and loans and advances are subjects to their confirmation and reconciliations.
- 37 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

R K Birla
Managing Director

S. Hanumantha Rao
Director - Finance

Ch. Narayana Rao
Vice-President (Finance & Accounts)

Shaik Ibraheem
Company Secretary

Place : Hyderabad
Date : 30th May, 2014



SUJANA METAL PRODUCTS LIMITED

Regd Office: No.41, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

CIN : L28120TG1988PLC008610

24th Annual General Meeting- Tuesday, 30th September, 2014

ATTENDANCE SLIP

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

I, hereby record my presence at the 24th Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2014 at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500034, Telangana at 11.00 A.M.

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

EVSN	User ID	Password
140905043	Please refer to Note No. 16 in the Notice	



SUJANA METAL PRODUCTS LIMITED

Regd Office: No.41, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

CIN : L28120TG1988PLC008610

PROXY FORM

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 24th Annual General Meeting of the Company, to be held on the Tuesday, the 30th day of September, 2014 at 11.00 a.m at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500034, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31st March, 2014.		
2	Re-appointment of Shri Y.S. Chowdary, who retires by rotation.		
3	Re-appointment of Shri G.Srinivasa Raju, who retires by rotation.		
4	Re-appointment of M/s CRK & Associates, Chartered Accountants, as Statutory Auditors of the Company.		
Special Business			
5.	Appointment of Shri J.Ramakrishnan as an Independent Director in terms of Section 149 of the Companies Act,2013.		
6.	Appointment of Dr.K.Srinivasa Rao as an Independent Director in terms of Section 149 of the Companies Act,2013.		
7.	Appointment of Dr. V. Malakonda Reddy as an Independent Director in terms of Section 149 of the Companies Act,2013.		
8	Adoption of new set of Articles of Association of the Company pursuant to Section 14 of the Companies Act,2013.		
9	Approval of variation in the terms of appointment of Shri S.Hanumantha Rao, Whole time Director of the Company		
10	Approval of variation in the terms of appointment of Shri R.K.Birla, Managing Director of the Company		
11	Approve the borrowing limits upto Rs.2500 crores in terms of Section 180(1)(c) of the Companies Act,2013.		
12	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.		
13	Ratification of remuneration of the Cost Auditor of the Company.		

Signed this day of September, 2014.

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 24th Annual General Meeting.
3. It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

PRINTED MATTER
By Regd. Post / Speed Post / Courier



If undelivered, please return to:

Sujana Metal Products Limited

Registered Office :

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

Phone: 040-23351882, 23351887

Website : www.sujana.com