

Neueon Towers Limited

(Formerly known as Sujana Towers Limited)

Date: 27th November, 2019

To

The Department of Corporate Services – CRD, BSE Limited, P.J.Towers, Dalal Street, MUMBAI – 400 001. Scrip Code: 532887	National Stock Exchange of India Ltd 5 th Floor, Exchange Plaza, Bandra (E), MUMBAI – 400 051 Scrip Symbol: NTL
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Dear Sir/Madam,

Sub: Notice of 12th Annual General Meeting and Annual Report-2018-19-Reg

We wish to inform you that 12th Annual General Meeting ('AGM') of Neueon Towers Limited ('Company') is scheduled to be held on Saturday, 14th day of December, 2019 at Registered Office of the Company at Survey No.321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist-502296, Telangana at 4.00 P.M.

The notice of 12th AGM and Annual Report of the Company for the financial year 2018-19 are enclosed herewith for your records.

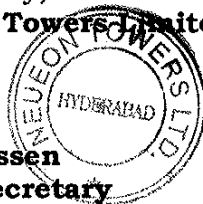
Kindly take the above on your records and oblige.

Thanking you,
Yours faithfully,

For Neueon Towers Limited

P. Apser Hussien
Company Secretary

(A Company under Corporate Insolvency Resolution Process, by NCLT order No. CP(IB) No. 679/07/HDB/2018)



CIN: L40109TG2006PLC049743
Regd. Office:
Survey No.321,
Turkala Khanapur(V),
Hatnur (M), Medak Dist. - 502 201.
Telangana, India.
T + 91-08458-288964/965,
www.neueontowers.com

Corp.&Admin. Office:
Plot No.5/A, Vengalrao Nagar,
Hyderabad - 500038,
Telangana, India.
T +91-40-23815530/31/32
F +91-40-23815534.

CORPORATE INFORMATION

RESOLUTION PROFESSIONAL : Dr. M.S. SANKAR
IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315.

BOARD OF DIRECTORS (Powers suspended on account of CIRP)

INDEPENDENT DIRECTOR : Shri M.V. Bhaskara Rao
MANAGING DIRECTOR : Shri G. Srinivasa Raju
NON-EXECUTIVE DIRECTOR : Shri S. Hanumantha Rao
INDEPENDENT DIRECTOR : Shri A.S. Anand Kumar
INDEPENDENT DIRECTOR : Shri L. V. Rao

AUDIT COMMITTEE : Shri A. S. Anand Kumar
Shri S. Hanumantha Rao
Shri M. V. Bhaskara Rao
Shri L. V. Rao

MANAGEMENT COMMITTEE : Shri G. Srinivasa Raju
Shri S. Hanumantha Rao
Shri M. V. Bhaskara Rao

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE : Shri G. Srinivasa Raju
Shri S. Hanumantha Rao
Shri M. V. Bhaskara Rao

NOMINATION AND REMUNERATION COMMITTEE : Shri S. Hanumantha Rao
Shri A. S. Anand Kumar
Shri M. V. Bhaskara Rao

RISK MANAGEMENT COMMITTEE : Shri G. Srinivasa Raju
Shri S. Hanumantha Rao
Shri M. V. Bhaskara Rao

SHARE TRANSFER COMMITTEE : Shri G. Srinivasa Raju
Shri M.V. Bhaskara Rao
Shri S. Hanumantha Rao

SHAREHOLDERS' GRIEVANCES COMMITTEE : Shri G. Srinivasa Raju
Shri S. Hanumantha Rao
Shri M.V. Bhaskara Rao

COMPANY SECRETARY : Shri Pathan Apser Hussen

STATUTORY AUDITORS : M/s. Venugopal & Chenoy
Chartered Accountants,
Tilak Road, Hyderabad.

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

COST AUDITORS : M/s Nageswara Rao & Co.
Cost Accountants,
Hyderabad

NEUEON TOWERS LIMITED

BANKERS	:	Andhra Bank Central Bank of India Exim Bank Limited IDBI Bank Limited Edelweiss ARC Limited Punjab National Bank UCO Bank
REGISTERED OFFICE	:	Survey No. 321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist - 502 296 Telangana, India.
CORPORATE OFFICE	:	No. 8-2-248/1/7/18, 2nd Floor, East Wing, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082. Website: www.sujana.com
WORKS	:	(i) Plot No. 128 Part, Sy.No.172/B, I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (ii) Plot No. 10, 11 and 12, Sy. No.172 I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (iii) Plot No. 9, Sy. No.172/EE, U, UU, I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (iv) Plot No.8 B & C, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (v) Sy. No. 321, Turkala Khanapur Village, Hatnur Mandal, Sanga Reddy Dist, Telangana - 502 296
LISTING	:	EQUITY BSE Limited (BSE) PhirozeJeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) 5th Floor, Exchange Plaza Bandra (E), Mumbai - 400 051
REGISTRAR & SHARE TRANSFER AGENT	:	M/s. Bigshare Services Private Limited 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: bigshareonline.com

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of Neueon Towers Limited will be held on Saturday 14th day of December, 2019, at the Registered Office of the Company at Survey No. 321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist - 502 296, Telangana, India, at 4.00 P.M., to transact the following businesses:

BACKGROUND:

The members are hereby informed that Corporate Insolvency Resolution Process ('CIRP') has been initiated for the Company under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') by the National Company Law Tribunal vide Order No. CP(IB) No. 679/7/HDB/2018 ('order') with effect from 03.06.2019 (uploaded on website on 08.06.2019). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Dr. M S Sankar, - Resolution Professional (IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315). His appointment confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Dr.M.S.Sankar in his capacity as RP took control and custody of the management and operations of the Company from 03.06.2019. Consequently, all actions that are deemed to be taken by the Board of Directors have been given effect to by the RP during the continuance of the CIRP as per the provisions of the IBC. In view thereof, the 12th Annual General Meeting (AGM) of the Members of the Company is being convened by the RP.

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidate financial statements of the Company for the financial year ended March 31, 2019, including the audited Balance Sheets as at March 31, 2019, the Statements of Profit and Loss and Cash Flow Statements for the financial year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri G Srinivasa Raju, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To ratify the remuneration of the cost auditors for the financial year ending 31st March, 2019**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and 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 up to Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus Service tax as applicable and reimbursement of actual expenses and out of packet expenses to be paid to M/s. Nageswara Rao & Co, (Membership No: 000332) Cost Auditors of the Company, for the financial year 2019-20, as approved by the Board of Directors of the Company, be and is hereby ratified.

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

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar-

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution

Process by NCLT order No.

CP(IB)No. 679/07/HDB/2018)

Place: Hyderabad

Date: 12.11.2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy

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Form is annexed to this Report.

3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. The Share Transfer Books and Register of Members of the Company will remain closed on 9th November, 2019 (One Day only).
9. Details under SEBI (Listing Obligations & Disclosure Requirements) 2015 in respect of the Directors seeking appointment/ re- appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/ re- appointment.
10. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
11. The registration of share transfers and other related correspondence will be dealt at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of the Company on to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Companies RTA. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
12. Electronic copy of the Annual Report for 2018-19 (including Notice of the 12th Annual General Meeting of the Company along with Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(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 2018-19 is being sent in the permitted mode.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates with their respective Depository Participants to receive all the communications in electronic mode. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company RTA.
14. Members may also note that the Notice of the 12th Annual General Meeting and the Annual Report for 2018-19 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.
15. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication

including Annual Report, Notices, circulars, etc., from the Company electronically.

16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
17. Instructions for members for voting electronically are as under:-
 - In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 '(Amended Rules 2015)' and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 12th Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 - The remote e-voting period commences on 10th December, 2019 at (9:00 A.M.) and ends on 13th December, 2019 (5:00 P.M.). During this period members of the Company,

holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th December, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- Shri Anand Kumar C Kasat, Practicing Company Secretary, Hyderabad, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sujana.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

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The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

- a) For Members who hold shares in demat account with NSDL. 8 Character DP ID followed by 8 Digit Client ID
For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
 - b) For Members who hold shares in demat account with CDSL. 16 Digit Beneficiary ID
For example if your Beneficiary ID is 12***** then your user ID is 12*****
 - c) For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company
For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
5. Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the.pdf file. The password to open the.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
- a) Click on “Forgot User Details/Password?”(If

you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to abhishek.darak.a@gmail.com <Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar-

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution

Process by NCLT order No.

CP(IB)No. 679/07/HDB/2018)

Place: Hyderabad

Date: 12.11.2019

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

The following statement sets out all material facts relating to the business mentioned in Item No. 03 of the accompanying Notice:

Item No. 3:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited by a Cost Accountant in Practice who shall be appointed by the Board of Directors on such remuneration as may be

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determined by the Members of the Company.

In light of Corporate Insolvency Resolution Professional, the Resolution Professional, on 14th August, 2019, has appointed M/s. Nageswara Rao & Co, (Member Ship No: 000332) as the Cost Auditor of the Company for the FY 2019-20 at a remuneration up to Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus Service tax as applicable and reimbursement of actual expenses and out of packet expenses.

Accordingly, the resolution at Item No. 3 of the Notice is set out as an Ordinary Resolution for ratification by the Members in accordance with Section 148 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or

interested, financially or otherwise, in the Resolutions at Item No. 3.

The Resolution Professional recommends the Resolution at Item No. 3 for approval of the Members.

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar-

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution Process by NCLT order No. CP(IB)No. 679/07/HDB/2018)

Place: Hyderabad

Date: 12.11.2019

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Regulation 36 (3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015):

Name of Director	Shri G. Srinivasa Raju
DIN	00132249
Date of Birth	20.10.1963
Date of Appointment	06.04.2006
Expertise in specific functional areas	He is a Promoter 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. Mr. G. Srinivasa Raju has joined as one of the promoters in the year 1995.
Qualifications	Post graduate in mechanical engineering with specialization in Machine designs from Roorkee University
Directorship held in other public companies (excluding foreign companies)	1. Sujana Universal Industries Ltd 2. Sujana Projects Limited 3. Sujana Holdings Limited 4. Splendid Metal Products Limited 5. Sujana Energy Limited 6. Sujana Power (India) Limited 7. Sujana Capital Service Limited
Membership/Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders' / Investors' Grievance Committee) C=Chairman, M=Member	Shareholders' Grievances Committee: Splendid Metal Products Limited (C) Sujana Universal Industries Ltd (M)

DIRECTORS' REPORT

To
The members of Neueon Towers Limited
Your Directors and the Resolitional Professional (Herein after referred to as "The Directors" for the sake of brevity) have pleasure in presenting their Report and the Audited Financial Statements of your Company for the year ended 31st March, 2019.

TO THE SHAREHOLDERS

Company achieved a turnover of Rs. 4189.89 lakhs for the year ended 31st March 2019, as against the turnover of Rs. 6477.89 lakhs for the previous year ended 31st March, 2018:

Company's Performance: (Rs. in lakhs)

Particular	Financial Year ended 31st March 2019	Financial Year ended 31st March 2018
Profit before Depreciation and Interest	(42,825.82)	(34,554.32)
Interest	6,833.61	35.87
Depreciation	9,379.31	9,391.16
Profit before tax	(59,038.74)	(43,981.35)
Provision for		
-Current Tax	-	-
-Deferred Tax	1,542.84	2,281.98
Profit after tax	(60,581.58)	(46,263.33)
Divident on CRPS	-	-
Profit carried to Balance Sheet	(60,581.58)	(46,263.33)

Review of Operations:

Operations stood at an all time low, since the inception of the Company. Notwithstanding positive market conditions, your Company is unable to capitalize on them due to the financial constraints. It's inability to complete the existing contracts on hand is also acting as an impediment in procuring new contracts. However, all these are expected to be obliterated once the present debt-restructuring initiative gets completed. Most of the capacity of the Company remain unutilized for want of resources. Your Directors hope and wish to report a good performance in the years to come.

Subsidiary Companies:

Your Company has the following Wholly Owned Subsidiaries:

A) Digitech Business Systems Ltd:

The operations of M/s. Digitech Business Systems Limited have commenced in a small way. We have stepped up the marketing activities under the aegis of this Company and we hope to clock good turnover during the next year. Company has started looking for a strategic investor either to sell off or to join as a partner.

B) Disinvestment of Overseas Subsidiaries:

During the year under review, your Company has disposed off the investment in the following overseas subsidiaries

- a) STL Africa Limited and
- b) Telesuprecon Limited

These two overseas subsidiaries have incurred losses and therefore it was decided to dispose off the investments.

Consolidated Financial Statements:

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statement has been prepared in accordance with the relevant accounting standards as prescribed under Section 133 of the Companies Act, 2013. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

As per the provisions of Companies Act, 2013 annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies' investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Head Office in Hyderabad and that of the subsidiary companies concerned. A gist of the financial performance of the subsidiaries in the prescribed Form AOC-1 is enclosed to this annual report as Annexure-I.

Particulars of Loans, Guarantees or Investments:

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

Deposits:

The Company has not accepted any deposits covered under chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 for the year under review.

Industrial Relations:

NEUEON TOWERS LIMITED

Your directors are happy to report that during the year there were very cordial and extremely good industrial relations at all levels.

Meetings:

During the year under review 5(Five) board meetings were held on 30th May, 2018, 14th August, 2018, 29th August, 2018, 14th November, 2018, and 14th February 2019. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Directors:

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

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

Smt G.Uma Devi-DIN; 07958472) Independent Director of the Company has resigned due to her full time employment in a private organization w.e.f: 26.04.2019. Smt G.Uma Devi has communicated and confirmed that there are no material reasons other than those provided above.

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

None of the Directors of your Company is disqualified under Section 164 (2) of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

The following persons are Key Managerial Personnel of the Company:

Shri G. Srinivasa Raju : Managing Director

Shri P. Apser Hussien : Company Secretary

Smt. Kalyani, resigned as vice president finance of the Company w.e.f. 01.07.2019.

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

Related Party Transactions:

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

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material under Regulation 23 of Listing Regulation. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is attached as Annexure-II

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

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

Audit Committee:

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

Sexual Harassment Policy:

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

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

Corporate Social Responsibility:

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

The Annual Report on CSR activities is annexed herewith as Annexure (III) and forms part of this report.

Risk Management:

The Risk Management programme at the Company is focused on ensuring that risks are known and addressed. The Board of Directors, on recommendation of the Audit Committee, established a robust Risk Management framework by framing a Risk Management Policy to deal with all risks including possible instances of fraud and mismanagement, if any. The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management process, procedures and related roles and responsibilities.

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

Directors' Responsibility Statement:

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

Statutory Auditors:

M/s. Venugopal & Chenoy, Chartered Accountants,

are the Statutory Auditors of the Company and they hold the office till the conclusion of the 30th Annual General Meeting of the Company in the year 2020.

Auditor's Observation in his report dated 26th April 2019 and explanation therefor:

- a. The Company has not provided any interest on loans from the banks since the Company has been classified as NPA by the Banks during the preceding financial years. Therefore, loss incurred is understated to the extent of Rs.25321.50.
- b. During the year under review, the Company has provided Rs.39512.17 lakhs as doubtful debts and an amount of Rs.26654.53 Lakhs is realisable and the Company has taken necessary steps to recover these receivables.

During the year under review, the Auditors of the Company have not reported any fraud as specified under Section 143 (12) of the Companies Act, 2013 to the Audit Committee.

Cost Auditors:

M/s. Nageswara Rao Co., Cost Accountants, (Member Ship No Firm No.000332) Hyderabad were re-appointed as Cost Auditors of the Company for the Year 2019-20 as per the provisions of the Companies Act, 2013 and the rules made there under.

The Cost Auditor has submitted the report along with their observations and suggestions, and Annexure to the Central Government/stipulated authority within stipulated time period.

Members are requested to ratify the remuneration payable to the Cost Auditors at the ensuing Annual General Meeting of the company, in accordance with Section 148 of the Companies Act 2013.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Resolutional Professional, on recommendation of the Audit Committee, appointed Shri Anand Kumar C Kasat, Practising Company Secretary (CP. No 17420, FCS No. 42078) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report issued by Shri Anand Kumar C Kasat, Practising Company Secretaries for the Financial Year ending 31st March, 2019 is given in the Annexure (VA) attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

NEUEON TOWERS LIMITED

Secretarial Compliance Report

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 the Company has obtained annual Secretarial Compliance Report for the financial year ended 31st March, 2019. The report has been annexed herewith as Annexure – VB.

The Company could not appoint Chief Financial Officer under Section 203 of Companies Act, 2013 reading Rule 8 of Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014 in spite of its efforts. However, the Company is having time till December 31st 2019, to appoint Chief Financial Officer and the Company is taking further steps to comply with the provisions. Since the appointment of Chief Financial Officer could not be made, the Company could not file Form INC 22A and consequently, the Company has been classified as Non Complaint Company by the Ministry of Corporate Affairs.

Extract of Annual Return:

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

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

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

Environment and Social Obligation:

The Company's plants comply with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspections including certification for the maintenance of the environment. The Company values environmental protection and safety as the major considerations in its functioning.

Particulars of Employees:

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

Vigil Mechanism:

The Board of Directors, on recommendation of the Audit Committee, established a vigil mechanism by framing

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

Remuneration Policy:

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

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

Board Evaluation:

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 in the following manner:

- Structured evaluation forms, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- The Board also provided an individual feedback to the concerned director on areas of improvement, if any.
- A separate meeting of Independent Directors was held on 30th March, 2019 to evaluate the performance of the Chairman, the Non Independent Directors, the Board and flow of information from management.

Human Resource Management:

Human Capital has gained prime importance in last few years. Our Company believes that the human capital is of utmost importance to sustain the market

leadership in all product segments and also to capture new markets. We have changed the Organisation Structure to optimise best resources & to leverage the market potential. We have identified the high Performers and rewarded them appropriately, which has helped to achieve better employee engagement.

Dividend:

In view of the losses, your Company does not recommend any dividend for the year under review.

Quality:

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

Material Changes and Commitments:

There is no material change and commitment has occurred, affecting the financial position of the Company, between the end of the financial year of the Company i.e. 31st March, 2019 and the date of this report.

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

The Company Petition i.e. C.P. 137/2013, u/s 433 of the Companies Act, 1956 filed against the Company by M/s. Bhiragacha Finance Company Private Limited is not admitted by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh. The said Company Petition was dismissed by the Hon'ble Court on 04-08-2014 for non representation by the Counsel for the Petitioner. As deus payable to them have been settled. Petitioners have preferred appeal against the Order of 04.08.2014. The said petition is pending for admission and hearing. M/s. Bhiragacha Finance Company Private Limited is in the process of withdrawing the petition.

Members may kindly note that Corporate Insolvency Resolution Process ('CIRP') has been initiated for the Company under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') by the National Company Law Tribunal vide Order No. CP(IB)No. 676/7/HDB/2018 ('order') with effect from 03.06.2019 (uploaded on website on 08.06.2019). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Dr. M S Sankar, - Resolution Professional (IP Registration No. IBBI/ IPA-001/IP-P00770/2017-18/11315. His appointment

confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Dr.M.S.Sankar in his capacity as RP took control and custody of the management and operations of the Company from 03.06.2019.

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

Internal Control Systems and their adequacy:

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

Corporate Governance:

Your Company has complied the applicable regulations of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 regarding Corporate Governance. Management Discussion and Analysis a report on the Corporate Governance practices, the practicing Company Secretary' Certificate on compliance of mandatory requirements thereof and are given as Annexure IX & X to this report.

Acknowledgment:

The Management places on record their appreciation for the co-operation and support extended by all stakeholders in the Company including the Shareholders, Bankers, Suppliers and other Business Associates.

The Management also wish to place on record their appreciation for all the employees for their commitment and contribution towards achieving the goals of the Company.

The Management also thank the Governments of various Countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their co-operation.

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution Process by NCLT order No.

Place: Hyderabad

CP(IB)No. 679/07/HDB/2018)

Date: 12.11.2019

NEUEON TOWERS LIMITED

Annexure - I FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part “A” : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In lakhs)

1. Sl.No.	1
2. Name of the Subsidiary	Digitech Business Systems Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2018 to 31.03.2019
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1USD = Rs.67.20
5. Share Capital	20,092.16
6. Reserves & Surplus	(6,463.50)
7. Total Assets	13,628.66
8. Total Liabilities	13,628.66
9. Investments	-
10. Turnover	-
11. Profit before taxation	(6,914.72)
12. Provision for taxation	-
13. Profit after taxation	(6,914.72)
14. Proposed Dividend	-
15. % of shareholding	100

Part “B”: Associates and Joint Ventures

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

NOT APPLICABLE

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution Process

by NCLT order No. CP(IB)No. 679/07/HDB/2018)

Place: Hyderabad

Date: 12.11.2019

Annexure - II
Details of Related Party Transactions
Form No. AOC-2

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

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

No transactions.

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

S. No	(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
1	Splendid Metal Products Ltd, Common Director	Sales	One year	Rs. 95.16 Lakhs	Not Applicable	Nil
2	Splendid Metal Products Ltd, Common Director	Purchases	One year	Rs. 42.35 Lakhs	Not Applicable	Nil
3	Sujana Universal Industries Limited, Common Director	Sales	One year	Nil	Not Applicable	Nil
4	Sujana Universal Industries Limited, Common Director	Purchases	One year	Nil	Not Applicable	Nil

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution Process by

NCLT order No. CP(IB)No. 679/07/HDB/2018)

Place: Hyderabad

Date: 12.11.2019

Annexure (III):

Annual Report on Corporate Social Responsibility (CSR) activities

1. Average net profit of the Company for last three financial years: Rs. (52,012.37) lakhs

2. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. Nil lakhs

NEUEON TOWERS LIMITED

Annexure - IV Directors' Responsibility Statement

The members are hereby informed that Corporate Insolvency Resolution Process ('CIRP') has been initiated for the Company under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') by the National Company Law Tribunal vide Order no. CP(IB)No. 679/7/HDB/2018 ('order') with effect from 03.06.2019 (uploaded on website on 08.06.2019). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Dr. M S Sankar, - Resolution Professional (IP Registration No.IBBI/IPA-001/IP-P00770/2017-18/11315. His appointment confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Dr.M.S.Sankar in his capacity as RP took control and custody of the management and operations of the Company from 03.06.2019

In light of the aforesaid and pursuant to the requirements under sub section (3)(c) and (5) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed by the RP that:

- I. That in preparation of the Annual Accounts for the year ended 31st March, 2019; all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- II. That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company is Rs. 60,581.58 lakhs for the financial year ended 31st March, 2019.
- III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. That the Annual Accounts for the year ended 31st March, 2019, has been prepared on a going concern basis.
- V. That proper internal financial control were in place and that the financial controls were adequate and were operating effectively.
- VI. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

For NEUEON TOWERS LIMITED

Dr. M.S. Sankar

Resolution Professional

(IP Registration No. IBBI/IPA-001/IP-P00770/2017-18/11315)

(A Company under Corporate Insolvency Resolution Process by
NCLT order No. CP(IB)No. 679/07/HDB/2018)

Place: Hyderabad

Date: 12.11.2019

Annexure - VA**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

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

To

The Members of **M/s. Neueon Towers Limited** (Formerly known as Sujana Towers Ltd)

Sy. No.321, Turkala Khanapur Village, Hatnur Mandal, Sanga Reddy Dist., Telangana – 502296.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2019, (i.e. from April 01, 2018 to March 31, 2019) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- 1 We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:
 - a) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company is into general manufacturing sector.
4. We have also examined compliance with the applicable clauses/regulations of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
 - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreements entered into with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

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

The Company has not complied with regulation 31 of SEBI (LODR) Regulations, 2015 with respect to submission of Shareholding pattern for the Quarter ended 31.03.2018 within the prescribed time period. However, the Company has submitted the shareholding pattern on 18.05.2018.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

The Company Petition i.e. C.P. 137/2013, u/s 433 of the Companies Act, 1956 filed against the Company by M/s. Bhiragacha Finance Company Private Limited is not admitted by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh. The said Company Petition was dismissed by the Hon'ble Court on 04-08-2014 for non representation by the Counsel for the Petitioner. However as

NEUEON TOWERS LIMITED

informed by the Company, Petitioners have preferred appeal against the Order of 04.08.2014. The said petition is pending for admission and hearing. M/s. Bhiragacha Finance Company Private Limited is in the process of withdrawing the petition, as the dues have been paid.

Members may kindly note that Corporate Insolvency Resolution Process ('CIRP') has been initiated for the Company under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') by the National Company Law Tribunal vide Order no. CP(IB)No. 676/7/HDB/2018 ('order') with effect from 03.06.2019 (uploaded on website on 08.06.2019). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Dr. M S Sankar, - Resolution Professional (IP Registration No.IBBI/IPA-001/IP-P00770/2017- 18/11315. His appointment confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Dr.M.S.Sankar in his capacity as RP took control and custody of the management and operations of the Company from 03.06.2019.

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

Based on the information received and records maintained, we further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period no specific major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,

Anand Kumar C Kasat
Practising Company Secretary

C.P. No. 42078
FCS No. 17420

Place: Hyderabad

Date: 31st August, 2019.

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

ANNEXURE

To

The Members of **M/s. Neueon Towers Limited**

Sy. No.321, Turkala Khanapur Village, Hatnur Mandal, Sanga Reddy Dist., Telangana – 502296

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

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

Anand Kumar C Kasat
Practising Company Secretary

C.P. No. 42078
FCS No. 17420

Place: Hyderabad

Date: 31st August, 2019.

ANNEXURE - VB**Secretarial Compliance Report under Regulation 24A of SEBI (LODR) Regulations, 2015 of Neueon Towers Limited for the year ended March 31, 2019.**

I, Anand Kumar C Kasat, Practising Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by Neueon Towers Limited [CIN: L40109TG2006PLC049743] ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - not applicable during the period under review;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - not applicable during the period under review;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 not applicable during the period under review;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 not applicable during the period under review;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 not applicable during the period under review;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 not applicable during the period under review;

and based on the above examination, we hereby report that, during the Review Period:

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ remarks of the Practising Company Secretary, if any.
1.	Regulation 31 SEBI (LODR) Regulation`s	Non-submission of Shareholding pattern for the Quarter ended 31.03.2018 within the prescribed time period under this regulation.	Company submitted the shareholding pattern for the quarter ended 31.03.2018 on 18.05.2018.

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- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
1	BSE & NSE	Regulation 31 SEBI (LODR) Regulation's	Non-Compliance letter Non-submission of Shareholding pattern for the Quarter ended 31.03.2018 within the prescribed time period under this regulation	Company submitted the shareholding pattern for the quarter ended 31.03.2018 on 18.05.2018 and also submitted reply to the Stock Exchange on 25.05.2018.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practising Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the actions taken by the listed entity
Not Applicable				

Place: Hyderabad
Date: 29th May, 2019.

Anand Kumar C Kasat
Practising Company Secretary
C.P. No. 42078
FCS No. 17420

Annexure - VI

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on 31.03.2019

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

FORM No. MGT – 9**I. REGISTRATION AND OTHER DETAILS:**

CIN	L40109TG2006PLC049743
Registration Date	04-06-2006
Name of the Company	NEUEON TOWERS LIMITED
Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
	INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office & contact details	Survey No.321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist - 502 296, Telangana, India.
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Bigshare Services Pvt.Ltd. 306, Right Wing, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082. Phone No: 040 – 2337 4967 Email: bsshyd@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Galvanised Steel Products	72161000	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Digitech Systems Private Limited	NA	HOLDING	100	Section 2(87)

*WOFS - Wholly Owned Foreign Subsidiary.

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IV) SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year :31/03/2019			
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %
(A)	Shareholding of Promoter and Promoter Group								
	Indian								
(a)	INDIVIDUAL / HUF	202841	1357	204198	0.28	202841	1357	204198	0.36
(b)	Central / State government(s)								
(c)	BODIES CORPORATE	20870245	0	20870245	36.91	20870245	0	20870245	36.91
(d)	FINANCIAL INSTITUTIONS / BANKS								
(e)	ANY OTHERS (Specify)								
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00
(ii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00
	SUB TOTAL (A)(1) :	21073086		21074443	37.19	21073086	1357	21073086	32.27
	Foreign								
(a)	BODIES CORPORATE								
	SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00
	Total holding for promoters								
	(A)=(A)(1) + (A)(2)	21073086	1357	21074443	37.19	21073086		21073086	32.27
(B)	Public shareholding								
	Institutions								
(a)	Central / State government(s)								
(b)	FINANCIAL INSTITUTIONS / BANKS	500100	0	500100	0.88	500100	0	500100	0.88
	SUB TOTAL (B)(1) :	500100	0	500100	0.88	500100	0	500100	0.88
	Non-institutions								
(a)	BODIES CORPORATE	6238477	16682	6255159	11.06	6238477	389	6255159	11.06
(b)	INDIVIDUAL								
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	9818536	297918	10116454	17.89	9818536	20000	10116454	17.89
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	17904075	0	17946368	31.74	17904075	625	17904075	31.74
(c)	ANY OTHERS (Specify)								
(i)	TRUSTS	32174	0	32174	0.06	32174	0	32174	0.06
(ii)	CLEARING MEMBER	123977	0	123977	0.22	123977	0	123977	0.22
(iii)	NON RESIDENT INDIANS (NRI)	53	0	53	0.00	53	0	53	0.00
(iv)	NON RESIDENT INDIANS (REPAT)	429362	0	429362	0.76	429362	0	429362	0.76
(v)	NON RESIDENT INDIANS (NON REPAT)	110212	0	110212	0.19	110212	0	110212	0.19
	SUB TOTAL (B)(2) :	34699159	314600	35013759	61.92	34699159	314600	35013759	61.92
	Total Public Shareholding								
	(B)=(B)(1) + (B)(2)	35199159	314600	35513759	62.81	35199159	314600	35513759	62.81
(C)	Shares held by Custodians and against which Depository Receipts have been issued								
(a)	SHARES HELD BY CUSTODIANS								
	SUB TOTAL (C)(1) :	0	0	0	0.00	0	0	0	0.00
	(C)=(C)(1)		0		0.00	0	0	0	0.00
	Grand Total (A) + (B) + (C)	56227245	317307	56544552	100.00	56227245	317307	56544552	100.00

(ii) SHARE HOLDING OF PROMOTERS

Shareholders Name	Shareholding at the beginning of the year - 01.04.2018			Shareholding at the end of the year - 31.03.2019			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Shri Y.S.Chowdary	1,85,657	0.33	0.33	1,85,657	0.33	0.33	-
Shri G Srinivasa Raju	10,184	0.02	0.02	10,184	0.02	0.02	-
Shri S Hanumantha Rao(trustee for 1357 fraction of shares)	8,357	0.01	0.01	8,357	0.01	0.01	-
Sujana Finance and Trading Private Limited	3,76,435	0.67	0.67	3,76,435	0.67	0.67	-
Yelamanchili Finance and Trading (p) Ltd	47,67,500	8.43	8.43	47,67,500	8.43	8.43	-
Sujana Holdings Limited	,01,29,629	17.91	17.91	1,01,29,629	17.91	17.91	-
Foster Infin and Trading Private Limited	50,95,999	9.01	9.01	50,95,999	9.01	9.01	-
Sujana Capital Services Limited	682	0.00	0.00	682	0.00	0.00	-
Sujana Pumps and Motors Private Limited	5,00,000	0.88	0.88	5,00,000	0.88	0.88	-
TOTAL	2,10,74,443	37.27	37.27	2,10,74,443	37.27	37.27	-

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

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01-04-2018		2,10,74,443	37.27%	-	-
2	At the end of the year	31-03-2019		-	-	2,10,74,443	37.27%

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year 01-04-2019		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	VIMGI INVESTMENTS PVT LTD						
	At the beginning of the year	01/04/2018		1,008,318	1.78%		
	Changes during the year	Nil				-	
	At the end of the year	31/03/2019				-	1.78%
2	SRIHARI BABU KANCHERLA						
	At the beginning of the year	01/04/2018		847,800	1.50%		
	Changes during the year	Nil					
	At the end of the year	31/03/2019					1.50%
3	RELIGARE FINVEST LTD						
	At the beginning of the year	01/04/2018		518,637	0.92%		
	Changes during the year	Nil					
	At the end of the year	31/03/2019		-	-	518,637	0.92%
4	PRATIBHA R MHATRE						
	At the beginning of the year	01/04/2018		500,688	0.89%		
	Changes during the year	Nil				-	
	At the end of the year	31/03/2019				500,688	0.89%

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5	INDIAN OVERSEAS BANK					
	At the beginning of the year	01/04/2018	500,000			
	Changes during the year	Nil				
	At the end of the year	31/03/2019	-	500,000	0.88%	
6	MRKR CONSTRUCTIONS PRIVATE LIMITED					
	At the beginning of the year	01/04/2018	424,706			
	Changes during the year	Nil				
	At the end of the year	31/03/2019		404,666	0.72%	
7	VARA LAKSHMI G					
	At the beginning of the year	01/04/2018	410,367			
	Changes during the year	Nil				
	At the end of the year	31/03/2019		356,820	0.63%	
8	RAGHUNATHA REDDY MEDA					
	At the beginning of the year	01/04/2018	395,000			
	Changes during the year	Nil				
	At the end of the year	31/03/2019		395,000	0.70%	
9	ANOOP JAIN					
	At the beginning of the year	01/04/2018	377,250			
	Changes during the year	Nil				
	At the end of the year	31/03/2019		371,250	0.66%	
10	SEEPRA SUMEET KABRA					
	At the beginning of the year	01/04/2018	365,000			
	Changes during the year	Nil				
	At the end of the year	31/03/2019		358,676	0.63%	

(V) Shareholding of Directors and Key Managerial Personnel:

	Shareholding of each Directors and each Key Managerial Personnel	Reason	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
			No. of shares	No. of shares	% of total shares
1	G Srinivasa Raju - Managing Director				
	At the beginning of the year		10,184		
	At the end of the year			10,184	0.002%
2	S.Hanumantha Rao - Director				
	At the beginning of the year		8,357		
	Changes during the year			Nil	0.01%
	At the end of the year			8,357	0.01%
3	M V Bhaskara Rao - Independent Director				
	At the beginning of the year		Nil		
	Changes during the year				
	At the end of the year			Nil	
4	Shri A.S.Anand Kumar - Independent Director				
	At the beginning of the year		Nil		
	Changes during the year				
	At the end of the year			Nil	
5	Shri L V Rao - Independent Director				
	At the beginning of the year		Nil		
	Changes during the year				
	At the end of the year			Nil	
6	Shri Saravan Muthu - Nominee Director (IDBI)				
	At the beginning of the year		Nil		
	Changes during the year				
	At the end of the year			Nil	

7	Smt S. Kalyani - Vice President (Finance)			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year			Nil
8	Shri Pathan Apser Hussien - Company Secretary			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year			Nil

V. INDEBTEDNESS

(Amount in Lakhs)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,02,189.71	33,089.12	-	2,35,278.83
ii) Interest due but not paid	26,061.52	-	-	26,061.52
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,28,251.23	33,089.12	-	2,61,340.35
Change in Indebtedness during the financial year				
*Addition	3,373.59	2,521.90	-	5,895.48
*Reduction		21,778.85	-	21,778.85
Net Change	3,373.59	(19,256.96)	-	(15,883.37)
Indebtedness at the end of the financial year				
i) Principal Amount	2,00,157.71	13,832.16	-	2,13,989.87
ii) Interest due but not paid	31,467.11	-	-	31,467.11
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,31,624.82	13,832.16	-	2,45,456.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

NEUEON TOWERS LIMITED

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs in lakhs)
		Shri M V Bhaskara Rao	Shri A S Anand Kumar	Shri L V Rao	Smt. G. Umadevi	
1	Independent Directors					
	Fee for attending board committee meetings	90,000	40,000	90,000	50,000	2,70,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total	90,000	40,000	90,000	50,000	2,70,000
2	Overall Ceiling as per the Act	The overall ceiling is as per limits stipulated in Schedule V / Section 197 of the Companies Act, 2013				

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

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs. in lakhs)
		Smt. S. Kalyani	Pathan Apser Hussen	
	Designation	VP	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	24.00	54.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	30.00	24.00	54.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - VII**Statement of particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8 of Companies (Accounts) Rules, 2014****A) Conservation of energy:**

Electricity, Coal & Furnace Oil — purchased for manufacture of re-rolled products and galvanized towers parts

	2018-19	2017-18
1. Electricity		
Units (KWH)	2178866	1528790
Total amount (Rs.)	20161623	15511455
Rate/units (Rs.)	9.25	10.15
2. Coal		
Quantity (Tonnes)	2307.56	2684.09
Total Cost (Rs.)	14856065	16336323
Average Rate (Rs.)	6438.00	6086.35
3. Furnace Oil		
Quantity (Ltrs.)	2000	51364
Total Cost (Rs.)	76000	1363260
Average Rate (Rs.)	38.00	26.54
Electricity (KWH)	-	-
Coal (Tonnes)	-	-

- Steps taken or impact on conservation of energy: NA
- Steps taken by the company for utilising alternate sources of energy: NA
- Capital investment on energy conservation equipment: NA

B) Technology absorption:

- Efforts made towards technology absorption; NA
- The benefits derived like product improvement, cost reduction, product development or import substitution Nil
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N/A
- Details of the expenditure incurred on Research and Development: Nil

C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year is Rs. Nil lakhs and the Foreign Exchange outgo is Rs. Nil lakhs during the year in terms of actual outflows.

NEUEON TOWERS LIMITED

Annexure - VIII

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director/ KMP (Designation)	Remuneration for FY 2018-19 (in lakhs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2016-17
01	G Srinivasa Raju (Managing Director) *	Nil	Nil	Nil
02	S. Kalyani (Vice President)	30.00	19.02	Nil
03	P. Apser Hussien (Company Secretary)	24.00	15.22	Nil

- None of the other directors except as disclosed above draws any remuneration in the Company; The median remuneration of employees of the company during the financial year 2018-19 was Rs.1.58 lakhs against the median remuneration of Rs.2.05Lakhs during the previous year signifying an decreases of 22.94% in the financial year.

As on 31st March 2019, there were 85 Number of permanent employees in the rolls of Company.

2. The relationship between average increase in remuneration and company performance:

The average increase in remuneration during the financial year 2018-19 is Nil. The total employees cost for the financial year ended 31st March, 2019 is Rs.306.12 lakhs against Rs.385.44 Lakhs for the financial year ended 31 March 2018. The total net revenue of the company for financial year ended 31st March 2019 is Rs.4194.70 lakhs as against Rs.6416.27 lakhs for the financial year ended 31st March 2018. The total employees cost as a percentage of net total revenue was 7.30% (last year 6.01%). The performance was decreased 34.62% during the financial year compared to last year.

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

Rs. in lakhs

Particulars	2018-19	2017-18
Aggregate Remuneration of KMP in Financial Year	54.00	59.20
Revenue	4194.70	6416.27
Remuneration of KMP (as % of revenue)	1.287	0.923

4. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

Sl. No.	Description	Rs. in lakhs
1	Market Capitalisation	
	Mcap at 31st March 2019	491.94
	Mcap at 31st March 2018	1769.84
	Variation in Mcap in FY 2018-19 (%)	(72.20)
2	Price Earnings Ratio (PE Ratio) – (Mkt Price / EPS)	
	PE at 31st March 2019	(0.01)
	PE at 31st March 2018	(0.02)
	Variation in PE in FY 2018-19 (%)	(-59.40)
3	% Increase/Decrease from last Public Offer	Not Applicable^
	FPO price per share	
	Market price as at 31 March, 2019	
	% decrease from last FPO	

^ The Company was demerged from M/s. Sujana Metal Products Limited with approval of Hon'ble High Court.

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year : Nil
6. The Key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company: N.A
7. The ration of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid directors during year : N.A.
8. Particulars of employees as required under rule 5() of The Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014: Nil
9. It is hereby confirmed that the remuneration paid as per the Remuneration Policy of the Company.

NEUEON TOWERS LIMITED

Annexure - IX

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Indian economy grew at a slower pace in the second half of 2018-19. The country registered GDP growth of 6.8% in FY 2018-19 compared to the projected growth of 7.4%, but macro fundamentals of the domestic economy remain strong.

The government's vision of making India a US \$5 trillion economy by 2024 is expected to invigorate economic activity, stimulating growth in core sectors.

Opportunities and Threats:

Your Company has earlier contemplated to divest some of its manufacturing facilities in view of the constraints faced by it, as mentioned in the previous report(s) to the members. Unfortunately, these efforts have not borne fruit. Your Company is still convinced that it would be good to divest some of the business segments or to scout for a strategic investor to tide over the current situation and to forge ahead in the new markets to give it the necessary teeth to prevent the slippages in executing the orders.

It may not be out of place to mention that your Company is still being over looked by many customers while placing new orders on account of the acknowledged financial constraints. Thus, our efforts to revive the financial fortunes are continuing unabated to overcome this situation.

Risk and Concerns:

Your Company has put in place, a comprehensive risk management policy for identification and assessment of risks which is monitored by the risk management committee of the Company. The Committee closely monitors the process and suggests suitable measures to mitigate the risks. While the risks caused or likely to be caused by the internal happenings are promptly identified and dealt with by the Company. While the external factors still remain imponderable and are still not yet under the control of the Company.

Outlook and Opportunities:

Company is modest in assessing its outlook in view of the aforementioned factors. We are looking for an early resolution of the debt-restructuring issues to gain from tremendous opportunities in future for the products of the Company.

Internal Control Systems and their Adequacy:

The internal control systems as prevailing in the Company are commensurate with the size and nature of business of the Company. The Company has the system of Internal Audit.

Internal Auditors do regularly make assessment of internal control in various areas of operation and report to the Audit Committee with their suggestions for the improvement of the same. Accordingly, the suggestions for improvement wherever deemed necessary are implemented immediately. As usual,, the management keeps a continuous watch on internal control systems of the company.

Human Resource and Industrial Relations:

The relations between the Company and the employees are cordial. Company recognizes that the key to achieving its plans and sustaining them is none other than having best human resources pool.

Your Company endeavors in recruiting the best of talent, motivating and retaining them and considers envelopment of this biggest asset as its primary responsibility.

Highlights of the Financial Results:

During the financial year, Your Company has achieved a turnover of Rs. 4,194.70 lakhs for the year ended

31st March, 2019, as against the turnover of Rs. 6,479.35 lakhs for the previous year ended 31st March, 2018.

Segment Wise Performance & Geographical Information:

The Company primarily engaged in the business of Iron & Steel products, more specifically Transmission/ Telecom Towers and TSF products, which constitute a single segment in the context of Accounting Standard-17 on “Segment Reporting”. Geographically, all the manufacturing facilities of the Company are situated within India, while its marketing operations spread over many countries.

Statutory Compliance:

Your Company gives priority to comply all of the statutory requirements in time and the management regularly discusses the same with all the departmental heads. The Company Secretary, as the compliance officer, ensures timely compliance with the SEBI’s Regulations and provisions of listing agreements.

Corporate Social Responsibility (CSR):

While your Company, through Sujana Foundation, the CSR arm of the Sujana Group, strives to do what best it can do in this direction. However, it is regretted to report that in view of the losses during the year under review, no major CSR activities were taken up. The Company has in place, a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of the Companies Act, 2013.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company’s objectives, expectations or predictions may be forward looking within the meaning of applicable securities, law and regulations. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of subsequent event or development. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company’s operations, to mention some, are the selling price of finished goods, input availability and price, changes in government regulations, tax laws, economic development within and outside the country and other factors such as litigation and industrial relations.

ANNEXURE - X

REPORT ON CORPORATE GOVERNANCE

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

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

The members are hereby informed that Corporate Insolvency Resolution Process ('CIRP') has been initiated for the Company under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') by the National Company Law Tribunal vide Order no. CP(IB)No. 679/7/HDB/2018 ('order') with effect from 03.06.2019 (uploaded on website on 08.06.2019). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Dr. M S Sankar, - Resolution Professional (IP Registration No.IBBI/IPA-001/IP-P00770/2017-18/11315. His appointment confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Dr.M.S.Sankar in his capacity as RP took control and custody of the management and operations of the Company from 03.06.2019.

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

The Company has a balanced mix of Executive and Non-Executive Independent Directors to maintain the independence of the board and to separate the board functions of governance and management. As at March 31st ,2019, the Board of Directors comprises of Six (6) members, out of which one (1) is Promoter & Managing Director, four (4) of them are Independent and Non-Executive Directors and one (1) Non-Executive 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 4 which is in compliance with the requirements of Regulations 17 of the SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015. The number of Non-Executive Directors is more than 50% of the total number of Directors.

All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Hereinafter referred to as the "Listing Regulations, 2015").

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

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

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

The details of composition of the Board of Directors as at 31st March, 2019, the attendance record of the Directors at the Board Meetings held during the financial year 2018-19 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 and designation	Other Directorships	Committee positions in other companies		No. of Board Meetings attended	Attendance of each Director at the last A.G.M.
			As Chairman	As Member		
1.	Shri G. Srinivasa Raju Promoter & Managing Director	14	1	2	5	Attended
2.	Shri S. Hanumantha Rao Non-Executive Director	8	0	3	5	Attended
3.	Shri A. S. Anand Kumar Independent & Non - Executive Director	4	Nil	Nil	3	Not Attended
4.	Shri M.V.Bhaskara Rao Independent & Non - Executive Director	1	Nil	Nil	5	Not Attended
5.	Shri L.V. Rao Independent & Non -Executive Director	2	Nil	Nil	5	Not Attended
6.	@Smt G Umadevi Independent & Non -Executive Director	2	Nil	Nil	5	Not Attended

Change in Composition of Board of Directors since the date of last AGM held on 29th September, 2018:

@Smt. G Umadevi Resigned as a Director w.e.f. 26/04/2019.

2.2. Board Meetings, Board Committee Meetings and Procedures:

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

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

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

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

Five (5) Board Meetings were held during the year 2018-19 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

NEUEON TOWERS LIMITED

- (1) 30th May, 2018
- (2) 14th August, 2018
- (3) 29th August, 2018
- (4) 14th November, 2018
- (5) 14th February, 2019

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

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

Independent Directors Meeting:

The Independent Directors met on 30th March, 2019 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Familiarization programme for Independent Directors:

The Company has held familiarization programme for the Independent Directors by way of presentations by business heads of the Company from time to time and deliberations held on major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25(7) of SEBI (LODR) Regulations, 2015.

3. BOARD COMMITTEES:

In addition to functional Committees, your Board has constituted the following Committees as stipulated under the SEBI (LODR) Regulations, 2015.

3.1 Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference, role and powers of the Audit Committee are as mentioned in Regulation 18(3) of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes overseeing of the Company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

Composition and Procedure of the Audit Committee:

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

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

The Audit Committee of your Company comprises of Four (4) members, out of which Three (3) are independent and non-executive directors and one (1) Non-Executive Director. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and of Regulation 18 of the SEBI (LODR) Regulations, 2015.

During the financial year 2018-19, the audit committee met Four times on the following dates:

- (1) 30th May, 2018
- (2) 14th August, 2018
- (3) 14th November, 2018
- (4) 14th February, 2019

The necessary quorum was present at the meetings.

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

Sl. No.	Name of the Director & position in Committee	Category	No. of Meetings Attended
1	Shri A.S. Anand Kumar – Chairman	Independent and Non-Executive Director	2
2	Shri M.V. Bhaskara Rao – Member	Independent and Non-Executive Director	4
3	Shri L.V. Rao – Member	Independent and Non-Executive Director	4
4	Shri S. Hanumantha Rao – Member	Non-Executive Director	4

Change in Composition of Audit Committee since the date of last AGM held on 29th September, 2018: Nil

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

3.2 Nomination and Remuneration Committee:

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

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

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

The existing Committee comprises of:

Sl. No.	Name of the Director & Position in the Committee	Category
1	Shri A. S. Anand Kumar	Independent and Non-Executive Director
2	Shri M.V. Bhaskara Rao	Independent and Non-Executive Director
3	Shri S. Hanumantha Rao	Non-Executive Director

No Nomination and Remuneration Committee meeting was held during the year.

There were no changes in composition of Nomination and Remuneration Committee since the date of last AGM held on 29th September, 2018.

Remuneration Policy:

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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.

Sitting Fee details:

Sl.No.	Name of the Director	Sitting Fees paid during the year (Rs.)
1	Shri M. V. Bhaskara Rao	90,000
2	Shri A. S. Anand Kumar	40,000
3	Shri L. V. Rao	90,000

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

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2019:

Sl.No.	Name of the Director	Designation	No. of Shares held
1.	Shri M.V. Bhaskara Rao	Independent & Non Executive Director	Nil
2.	Shri A.S. Anand Kumar	Independent & Non Executive Director	Nil
3.	Shri L.V. Rao	Independent & Non Executive Director	Nil
4.	Shri Saravanan Muthu	Nominee Director (IDBI)	Nil
5.	Shri S. Hanumantha Rao	Promoter & Non Executive Director	7000

3.3. 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 2018-19.

The existing Committee consists of Three Directors, The details of the same are:

Sl. No.	Name of the Director & position in the Committee	Category
1.	Shri G. Srinivasa Raju – Chairman	Promoter and Executive Director
2.	Shri S. Hanumantha Rao – Member	Non-Executive Director
3.	Shri M. V. Bhaskara Rao - Member	Independent and Non-Executive Director

Name and Designation of the Compliance Officer:

The name and designation of the Compliance Officer of your Company is Shri Pathan Apser Hussien, Company Secretary of the Company.

Status of the Complaints:

Number of Shareholders Complaints received during the Financial Year 2018-19	0
Number of Complaints not solved to the satisfaction of the Shareholders	Nil
Number of pending Complaints	Nil

3.4. Share Transfer Committee:

The share transfer committee comprises of Shri G. Srinivasa Raju, Shri S. Hanumantha Rao and Shri M.V. Bhaskara Rao. 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, 2013. During the period under review 1 (one) meeting of Share Transfer Committee was held.

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

3.5. Management Committee:

The Management Committee comprises of Shri G. Srinivasa Raju, Shri S. Hanumantha Rao and Shri M.V. Bhaskara Rao. The role, terms of reference and the authority and powers of the Management Committee are in conformity with the provisions of the Companies Act, 2013. During the period under review, the Management Committee met 4 (four) times.

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

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

Sl.No.	Name of the Director & Position in the committee	Category
1.	Shri S. Hanumantha Rao – Chairman	Non-Executive Director
2.	Shri G. Srinivasa Raju – Member	Promoter & Executive Director
3.	Shri M. V. Bhaskara Rao – Member	Independent & Non-Executive Director

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

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time".

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

No CSR committee was held during the year 2018-19.

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

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

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

Sl.No.	Name of the Director & Position in the committee	Category
1.	Shri S. Hanumantha Rao – Chairman	Non-Executive Director
2.	Shri G. Srinivasa Raju – Member	Promoter & Executive Director
3.	Shri M. V. Bhaskara Rao – Member	Independent & Non-Executive Director

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

4. GENERAL BODY MEETINGS:

4.1. Details of Last three AGMs held:

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Venue	Time	Details of Special Resolutions passed
1.	11th	29th September, 2018	Sy.No.321, Turkala Khanapur Village, Hatnur (Mandal), Sanga Reddy Dist-502296, Telangana.	04.00 P.M.	<ol style="list-style-type: none"> To consider and re-appoint Shri G. Srinivasa Raju, as Managing Director & Key Managerial Person of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s). To continue the Directorship of Shri M V Bhaskara Rao, as Independent Director of the Company till the conclusion of 12th Annual General Meeting. To consider, approve the resolution under Section 180 (1) (a) of the Companies Act, 2013 for selling, leasing otherwise disposing off the assets of the Company
2	10th	29th September, 2017	Sy.No.321, Turkala Khanapur Village, Hatnur (Mandal), Sanga Reddy Dist-502296, Telangana.	04.00 P.M.	<ol style="list-style-type: none"> To ratify the remuneration of the Cost Auditors for the financial year ending 31st march, 2017 and in this regard to consider and if thought fit, to pass with or without modifications.
3	9th	30th September, 2016	Katriya Hotel and Towers, No.8, Raj Bhavan Road, Somajiguda, Hyderabad-500082.	02.00 P.M	<ol style="list-style-type: none"> To Consider and approve the increase of Authorised share capital from Rs.100 crores to 1500 crores. To consider and approve the issue of Cumulative Redeemable preference shares (CRPS). To approve and confirm Strategic Debt Restructuring scheme (SDR/Outside SDR formulated by reserve Bank of India.

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

4.3. No resolutions passed in the last year through postal ballot:

5. DISCLOSURES:

(i) Materially Significant related party transactions:

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

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

(ii) Compliances:

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

(iii) Risk Management:

The Company has laid down procedures to inform the Board of Directors about the Risk Assessment and Minimization Procedure. These procedures are periodically reviewed by the Board to ensure that Executive management controls risk through means of a properly defined framework.

(iv) Code of Conduct:

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

(v) Vigil Mechanism:

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

(vi) Disclosure of Accounting Treatment:

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

(vii) CEO & CFO Certification:

Shri G. Srinivasa Raju, Managing Director and Smt S. Kalyani, Vice-President (Finance) of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015. The Managing Director and the Vice-President (Finance) also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of Listing Regulations, 2015.

(viii) Details of Non-Compliance and Penalties:

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

(ix) Compliance Certificate:

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

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

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

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

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

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The Chairman of the Board as a Non-executive Chairman and his position is separate from that of the Managing Director and CEO of the Company.

The Internal Auditor reports to the Audit Committee of the Company.

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

(xii) Disclosure under Regulation 53(f) read with Schedule V of SEBI (LODR) Regulations, 2015:

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

(b) None of the non-executive director except Shri S. Hanumantha Rao is holding any shares in the Company.

(xiii) Management Discussion and Analysis Report:

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

(xiv) Shareholders Information:

(a) Appointment/Re-appointment of Directors: The brief resume of directors retiring by rotation, appointment of Directors and re-appointment of directors, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice for calling Annual General Meeting.

(b) None of the Directors are related to each other.

(xv) Prevention of Insider Trading:

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

6. MEANS OF COMMUNICATION:

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

(ii) Furnishing the Quarterly / Annual Financial Results to Stock Exchanges in which Company's shares are listed.

(iii) Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Shareholders through Post/Courier/Email.

(iv) Company's Corporate Website:

The Company's website www.sujana.com is a comprehensive reference on Neueon Towers Limiteds' management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The Section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently

asked questions. Investors can also submit their queries and get feedback through online interactive forms. The Section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.

(v) Uploading on NEAPS & BSE Listing Centre:

The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE listing Centre for BSE.

(vi) Annual Report:

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

(vii) SEBI Complaints Redress System (SCORES):

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.

(viii) Chairman's Communiqué:

Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

7. GENERAL SHAREHOLDER'S INFORMATION:

1.	Date	14th December, 2019
2.	Time	04.00 P.M.
3.	Venue	Survey No.321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist-502 296, Telangana, India
4.	Financial Year	2018-2019 (Consisting of 12 months from 01.04.2018 to 31.03.2019)
5.	Book Closure Date	9th December, 2019 (One day Only)
6.	Dividend payment Date	Not Applicable
7.	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-kurla Complex Bandra (E), Mumbai - 400 051
8.	Stock Codes	(a) BSE Scrip Code : 532887 NSE Symbol : NTL (b) Demat ISIN for equity shares: INE333I01036 (c) Corporate Identity Number (CIN): L40109TG2006PLC049743
9.	Payment of listing fee	The Company has not paid annual listing fees to each of the above Stock Exchanges for the financial year 2018-19.

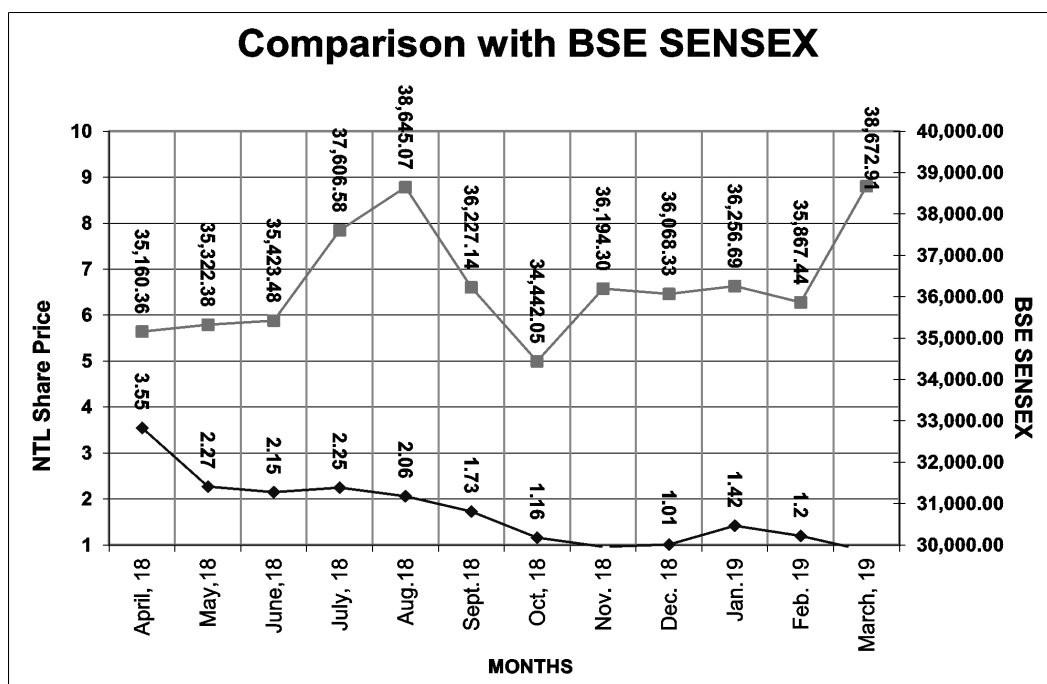
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10.	E-Voting facility	Website: www.evoting.nsdl.com Open Date: 10th December, 2019 at 09.00 A.M. Closing Date: 13th December, 2019 at 05.00 P.M. cut-off date: 7th December, 2019.
11.	Company Website	www.sujana.com

Market Price Data:

The monthly high and low stock prices during the financial year 2018-19 and performance in comparison to the Board-based indices such as BSE-Sensex is provided hereunder.

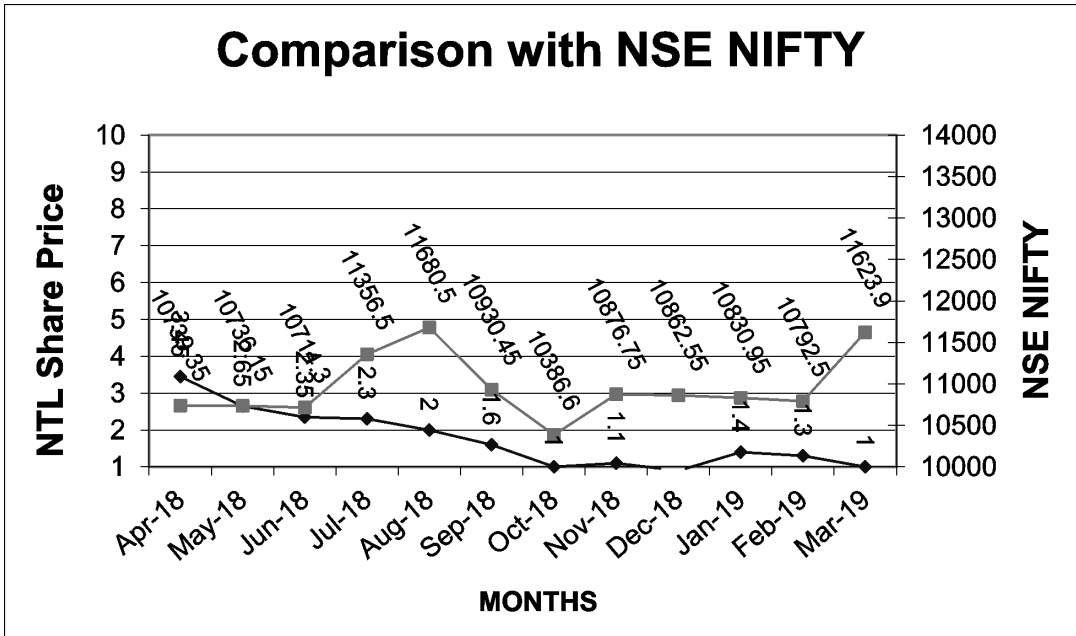
Month	High	Low	Close	BSE SENSEX (Closing)
April 2018	3.55	3.28	3.28	35160.36
May 2018	2.27	2.27	2.27	35322.38
June 2018	2.15	1.96	2.15	35423.48
July 2018	2.25	2.14	2.25	37606.58
August 2018	2.06	1.96	1.96	38645.07
September 2018	1.73	1.57	1.73	36227.14
October 2018	1.16	1.16	1.16	34442.05
November 2018	0.96	0.96	0.96	36194.30
December 2018	1.01	0.93	1.00	36068.33
January 2019	1.42	1.40	1.40	36256.69
February 2019	1.20	1.20	1.20	35867.44
March 2019	0.87	0.87	0.87	38672.91



The monthly high and low stock prices during the financial year 2018-19 and performance in comparison

to the Board-based indices such as NSE-Nifty is provided hereunder.

Month	High	Low	Close	Nifty (closing)
April 2018	3.45	3.15	3.25	10739.35
May 2018	2.65	2.45	2.50	10736.15
June 2018	2.35	2.15	2.35	10714.30
July 2018	2.3	2.30	2.30	11356.50
August 2018	2.0	1.90	1.95	11680.50
September 2018	1.60	1.60	1.60	10930.45
October 2018	1.00	0.95	0.95	10386.60
November 2018	1.10	1.05	1.05	10876.75
December 2018	0.90	0.85	0.90	10862.55
January 2019	1.40	1.35	1.35	10830.95
February 2019	1.30	1.20	1.20	10792.50
March 2019	1.00	1.00	1.00	11623.90



Share Transfer System:

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

Dematerialization of Shares:

99.43% of the Company’s Paid-up capital has been dematerialized upto 31st March, 2019 as per the following details.

NEUEON TOWERS LIMITED

Particulars	Number of shares	% of share capital
NSDL	28963182	51.69
CDSL	27264063	47.74
Physical	317307	0.57
Total	56544552	100.00

Distribution of Shareholding:

As on 31st March, 2019, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto - 5,000	1834629	3.25	16875	79.89
5,001 - 10,000	1244911	2.20	1472	6.97
10,001 - 20,000	1568667	2.77	1003	4.75
20,001 - 30,000	1052277	1.86	412	1.95
30,001 - 40,000	694578	1.23	194	0.92
40,001 - 50,000	1177629	2.08	247	1.17
50,001-1,00,000	3146744	5.57	422	1.99
1,00,001 and above	45825117	81.04	499	2.36
Total	56544552	100	21938	100.00

Shareholding pattern as on 31st March, 2019 (Face Value of Rs.10/-each):

Sl.No.	Category	No.of Holders	No.of Shares	% to Equity
1	Promoters and Promoters Group	9	21074443	37.27
2	Bodies Corporate	417	7320531	12.95
3	Public – Individuals	21244	25937446	45.87
4	NRIs	169	479700	0.85
5	Financial Institutions/Banks	2	500100	0.88
6	Clearing Members	95	1200172	2.12
7	Trust	2	32160	0.06
	Total	21938	56544552	100.00

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

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

Reconciliation of Share Capital Audit Report:

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

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

Plant Location:

S.No.	State	Location
1.	Telangana	Plot No.128 Part, Sy. No. 172/B, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
2.	Telangana	Plot No.10, 11 and 12 Part, Sy. No.172, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
3.	Telangana	Plot No. 9, Sy. No.172/EE, U, UU, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
4.	Telangana	Plot No. 8, B & C, Sy. No.172/EE, U, UU, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
5	Telangana	Sy.No.321, Turkala Khanapur Village - 502 201, Hatnur Mandal, Sanga Reddy Dist.

Address for Correspondence:

Registered Office	Survey No.321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist-502296, Telangana, India
Corporate and Administrative Office	5/A, Vengalrao Nagar, Hyderabad, Telangana-500038, India, Telephone No. +91-40-23815530/31/32 Website: www.sujana.com
Registrars and Share Transfer Agents	M/s Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500082, Telangana, India. Phone No.: 040-2337 49670

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

I hereby declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel that they have complied with the Code of Business Conduct & Ethics for Board Members/ Senior Management Personnel in respect of the financial year 2018-19, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

By order of the Insolvency
Resolution Professional

For Neueon Towers Limited

G. Srinivasa Raju
Managing Director
DIN: 00132249

Place: Hyderabad
Date: 12th November, 2019

NEUEON TOWERS LIMITED

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

- A. We have reviewed financial statements and the cash flow statement of our Company for the financial year ended 31st March, 2019, and that to the best of our knowledge and belief we hereby certify that: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Hyderabad
Date: 26th April, 2019

S. KALYANI
VICE PRESIDENT (FINANCE)

G. SRINIVASA RAJU
MANAGING DIRECTOR

Certificate on Corporate Governance

To
The Members of Neueon Towers Limited.

I have examined the compliance of conditions of Corporate Governance by M/s. Neueon Towers Limited ("the Company"), for the financial year ended March 31, 2019, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"].

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

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

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

Place: Hyderabad
Dated: November 14th, 2019

Anand Kumar C Kasat
Practicing Company Secretary
M.No. 42078, C.P. No. 17420

INDEPENDENT AUDITORS' REPORT

To
The Members,
Neueon Towers Limited.

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Neueon Towers Limited ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in Equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified opinion paragraph below, the aforesaid Standalone Ind AS financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, of its profit/loss, changes in equity and the cash flows for the year then ended.

Basis for Qualified Opinion

- a. The Company has defaulted in repayment of dues to Banks/Financial institutions during the current financial year. All loans outstanding were classified as NPA by the banks during the preceeding financial years. Provision for interest (excluding penal interest) amounting to Rs.25,321.5 lakhs On working capital and term loans has not been made in the books by the Company, as these Loans were classified as NPA by the Lending banks and Financial institutions. The loss of the Company has been understated by Rs. 25,321.5 lakhs in view of the non provision of the interest amount. If the accrued interest on outstanding bank facilities is debited to the statement of profit or loss then the company will incur a loss of Rs. 85903.08 lakhs.
- b. The company has made a provision of Rs. 39,512.17 lakhs during the current year, the realisability of trade receivables amounting to Rs. 26,654.53 lakhs is in doubt and the company has not made any provision for bad and doubtful debts in respect of these receivables.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 16.1.23 of the Standalone Ind AS financial statements regarding preparation of the Ind AS standalone financial statements on going concern basis for reasons stated therein. The appropriateness of assumption of going concern is dependent on realization of various initiatives taken by the company and the company's ability to generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

NEUEON TOWERS LIMITED

Sr.No.	Key Audit Matters	Auditor's response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the information system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Other Information:

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial statements.

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are

NEUEON TOWERS LIMITED

therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A to this report, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section ` (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

According to the information and explanations given to us and based on our examination of the records of the Company, the company has not paid any managerial remuneration to any director.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Note No 15;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For VENUGOPAL & CHENOY

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)

Partner
Membership No. 021961

Place: Hyderabad
Date: 26-04-2019

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) 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) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii) During the year, the Company has not granted any loans secured or unsecured to parties covered in the register maintained under section 189 of the Act. Hence paragraph 3(iii) of the Order is not applicable.
- iv) In our opinion and according to the information and explanations provided to us, during the year, the company has not given any loans, made investments, given guarantees or given security to parties covered under the provisions of section 185 and 186 of the Companies Act 2013. Hence paragraph 3(iv) of the order is not applicable.
- v) The Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the activities carried on by the Company, wherever applicable 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.
- vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, Goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been irregularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, Goods and services tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable

 - (b) According to information and explanations given to us, the following dues (amounts) have not been deposited by the Company on account of disputes/assessment:

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(Rs. In Lakhs)

Income Tax (2009-2010)	151.14
Income Tax (2010-2011)	2688.45
Income Tax (2011-2012)	2447.15
Income Tax (2012-2013)	129.69
Income Tax (2013-2014)	102.20

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where matter is pending	Amount (Rs. In Lakhs)
Excise Department:			
Excise Duty on Job Work	2010-2011	Additional Commissioner of central Excise	Rs. 30.98 lacs (paid Rs.15.49 lacs during the year 2010-2011)
Sales Tax Department:			
Submission of C Forms	2010-2011	Appellate Deputy Commissioner	Rs. 43.21 lacs
Submission of C Forms	2011-2012	Appellate Deputy Commissioner	Rs. 34.01 lacs
Submission of C Forms	2012-2013	Appellate Deputy Commissioner	Rs. 8.26 lacs
Submission of C Forms	2013-2014	Appellate Deputy Commissioner	Rs. 81.02 lacs
Submission of C Forms	2014-15	Appellate Deputy Commissioner	Rs. 7.01 lacs
VAT	2013-14 to 2015-16	Commercial tax officer, Punjagutta	Rs. 1 lakh

- viii) According to the information and explanations given to us and on the basis of examination of the records, the company has defaulted in repayment of loans along with interest to the Banks/ financial institutions during the year. The details of overdue principal of the company's borrowings are as follows, we were unable to arrive at the overdue interest due to inadequate information.

Overdue as on 31.03.2019.

(Rs. In Crores)

S.No	Bank/Financial institution	Principal
1.	Exim Import Bank of India	25.00
2.	Punjab national Bank	371.41
3.	IDBI Bank	649.60
4.	Edelweiss Asset reconstruction	77.20
5.	Andhra Bank	214.43
6.	Central Bank	389.35
7.	UCO Bank	173.67
8.	L&T Infrastructure Finance Co.Ltd	4.18
9.	SREI Equipment finance	27.91
	Total	1862.95

- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- x) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration to its Managing Director.
- xii) The Company is not a Nidhi Company. Hence, paragraph 3 (xii) of the Order is not applicable..
- xiii) According to the information and explanations given to us and based on our examination of the records

of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares and has complied with Section 42 of the Companies Act, 2013, and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For VENUGOPAL & CHENYO

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)

Partner

Membership No. 021961

Place: Hyderabad

Date: 26-04-2019

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Neueon Towers Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

NEUEON TOWERS LIMITED

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

The Company needs to document procedures and controls vis-à-vis internal controls over Financial Reporting.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VENUGOPAL & CHENYO

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)
Partner

Membership No. 021961

Place: Hyderabad

Date: 26-04-2019

BALANCE SHEET AS AT 31.03.2019

(Rupees in Lakhs)

Particulars	Note	As at 31st March	
		2019	2018
A ASSETS			
1 Non- Current Assets			
(a) Property, Plant and Equipment	2.01	1,37,775.86	1,47,155.56
(b) Capital Work-in-Progress		-	-
(c) Other Intangible Assets		0.27	0.27
(d) Financial Assets			
(i) Investments	2.02	13,993.47	13,993.74
(ii) Trade Receivables			
(iii) Loans	2.03	-	1,114.79
(iv) Others			
(d) Deferred tax asset	2.13	-	-
(e) Other non-current assets	2.04	-	1,095.38
		<u>1,51,769.59</u>	<u>1,63,359.74</u>
2 Current Assets			
(a) Inventories	2.05	661.69	1,576.00
(b) Financial Assets			
(i) Trade receivables	2.06	26,654.53	95,371.98
(ii) Cash and cash equivalents	2.07	62.69	72.92
(c) Other current assets	2.08	1,140.34	1,363.38
		<u>28,519.25</u>	<u>98,384.28</u>
TOTAL		<u>1,80,288.84</u>	<u>2,61,744.02</u>
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	2.09	5,654.46	5,654.46
(b) Other Equity		126.83	126.83
(c) Reserves & Surplus	2.10	(96,504.18)	(35,922.60)
		<u>(90,722.90)</u>	<u>(30,141.31)</u>
LIABILITIES			
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	2.11	14,136.84	33,393.79
(b) Provisions	2.12	27.81	204.27
(c) Deferred tax liabilities (Net)	2.13	18,257.72	16,714.88
(d) Other non-current liabilities		-	-
		<u>32,422.36</u>	<u>50,312.94</u>
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.14	1,31,075.82	1,31,075.82
(ii) Trade payables	2.11	997.81	7,155.14
(iii) Other financial liabilities	2.16	1,00,627.06	97,341.81
(b) Provisions	2.12	5,538.20	5,604.55
(c) Other current liabilities	2.17	350.47	395.05
		<u>2,38,589.37</u>	<u>2,41,572.38</u>
Total Equity and Liabilities		<u>1,80,288.84</u>	<u>2,61,744.01</u>

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy**G. Srinivasa Raju****S. Hanumantha Rao**

Chartered Accountants

Managing Director

Director

Firm's Registration No: 004671S

P.V. Sri Hari**S. Kalyani****Pathan Apser Hussien**

Partner

Vice-President (Finance)

Company Secretary

Membership No. 21961

Place: Hyderabad

Date: 26.04.2019

NEUEON TOWERS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019

(Rs. In Lakhs)

Particulars	Note	For the Year Ended	
		2019	2018
I Revenue			
Revenue from Operations	2.18	4,189.89	6,477.89
Other Income	2.19	4.80	1.46
Total Revenue		4,194.70	6,479.35
II Expenses			
Cost of Materials Consumed	2.20	3,136.05	5,150.62
Excise duty		-	63.08
Purchase of Stock-in-Trade		-	-
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.21	486.86	594.59
Employee Benefit Expenses	2.22	306.12	385.44
Finance Costs	2.23	6,833.61	35.87
Depreciation and Amortization Expenses	2.01	9,379.31	9,391.16
Other Expenses	2.24	43,091.48	34,839.95
Total Expenses		63,233.44	50,460.70
III Profit Before Exceptional Items and Tax (I - II)		(59,038.74)	(43,981.34)
IV Exceptional Items		-	-
V Profit Before Tax (III - IV)		(59,038.74)	(43,981.34)
VI Tax Expense:			
Current tax		-	-
Deferred tax		1,542.84	2,281.98
VII Profit for the Year (V - VI)		(60,581.58)	(46,263.32)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit and loss remeasurements of the defined benefit plans.			
IX Other comprehensive income (Net of taxes)		-	-
X Total comprehensive income for the Year (VIII + IX)		(60,581.58)	(46,263.32)
XI Earnings Per Equity Share of Rs.10 each			
(a) Basic		(107.14)	(81.82)
(b) Diluted		(107.14)	(81.82)

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy
Chartered Accountants
Firm's Registration No: 004671S

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

P.V. Sri Hari
Partner
Membership No. 21961

S. Kalyani
Vice-President (Finance)

Pathan Apser Hussen
Company Secretary

Place: Hyderabad
Date: 26.04.2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

(Rs. in Lakhs)

Particulars	For the year ended 31st March	
	2019	2018
A Cash flows from Operating activities		
Net Profit / (Loss) Before Tax for the year	(59,038.74)	(43,981.35)
Adjustments for		
Depreciation	9,379.31	9,391.16
Finance Costs	6,833.61	35.87
Interest & other income	(4.47)	(1.46)
Profit on sale of Investment	(140.98)	
Profit on sale of Vehicles	(2.87)	
Provision for Gratuity & Leave Encashment		-
Provision for doubtful debts	42,235.30	34,009.72
Operating Profit Before Working Capital Changes	(738.85)	(546.05)
Movements in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	914.32	630.70
Trade Receivables	26,482.15	(473.50)
Loans & Advances	1,114.79	-
Other Financial Assets	-	-
Other Assests	1,318.41	3,631.06
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	(6,157.33)	165.22
Provisions	(242.82)	-
Financial Laibilities	(15,971.70)	54,402.96
Other Liabilities	(44.58)	(67.84)
Cash Generated from Operations	6,674.39	57,742.55
Less: Taxes paid	-	-
Cash from Operating Activities (A)	6,674.39	57,742.55
B Cash flows from Investing activities		
Sale of Fixed Assets	3.27	-
Sales of Investment	141.25	-
Interest Received	4.47	1.46
Cash from Investment Activities (B)	148.99	1.46
C Cash flows from Financing activities		
Proceeds from Borrowings	-	(57,719.94)
Interest & Financial Charges Paid	(6,833.61)	(35.87)
Net Cash from financing activities (C)	(6,833.61)	(57,755.81)
Net Increase in cash and cash equivalent (A+B+C)	(10.22)	(11.80)
Cash and Cash Equivalents at the beginning of the year	72.92	84.72
Cash and Cash Equivalent at the end of the year	62.69	72.92

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

P.V. Sri Hari

Partner

Membership No. 21961

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussen

Company Secretary

Place: Hyderabad

Date: 26.04.2019

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

The Company is in the area of manufacturing and company is currently operating in various areas/verticals/products related to Towers & Transmission, TSF and Speciality Structural steel Manufacturing Business

2. Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments, which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in Indian rupees (in Rupees) except number of equity shares and per share data, unless otherwise stated.

The significant accounting policies are given at Note 17.

3. Use of estimates and judgment

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

4. Commitments

- Capital Commitments: Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on capital account and not provided for is Rs. NIL (P.Y. Rs. NIL).
- Commitment related to Investment Properties: Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on account of external projects and not provided for is Rs. NIL (P.Y. Rs. NIL).
- Other Commitments: Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on account of external projects and not provided for is Rs. NIL (P.Y. Rs. NIL).

5. Additional information pursuant to Schedule III of the Companies Act, 2013

Value of Materials Consumed during the year

Description	For the year ended 31.03.2019			For the Year ended 31.03.2018		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	5535.204	2091.49	78.5	15048.55	5027.17	98
Imported	-	-	-	-	-	-
Tower Parts						
Indigenous	-	-	-	268.210	123.45	2
Imported	-	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Others						
Indigenous	146.623	572.18	21.5	-	-	-
Imported	-	-	-	-	-	-
Total	5681.827	2663.67	100	-	5150.62	100

Value of bought-out material consumed

(Rs. in Lakhs)

Description	For the year ended 31.03.2019			For the Year ended 31.03.2018		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	1201.040	472.38	100	88	19.39	4
Imported	-	-	-	-	-	-
Tower Parts						
Indigenous	-	-	-	-	444.53	96
Imported	-	-	-	-	-	-
Others						
Indigenous	-	-	-	-	-	-
Imported	-	-	-	-	-	-
Total	-	472.38	100	-	463.92	100

Value of Consumables, Stores and Spares consumed during the period

(Rs in Lakhs)

Description	For the year ended 31.03.2019	%	For the year ended 31.03.2018	%
Consumables(Indigenous)	654.00	100	516.70	100
Consumables(Imported)	-	-	-	-
Total	654.00	100	516.70	100

6. Financial Instruments- Fair Values and Risk Management**i. Financial Instruments by Categories**

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

(As of March 31, 2019 Rs. In Lakhs)

Particulars	Cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	13393.47	-	-		13393.47
Cash & Cash Equivalents (Ref Note No. 2.07)	62.69	-	-		62.69
Trade Receivable (Ref Note No. 2.06)	26654.53	-	-		26654.53
Loans & Advances (Ref Note No. 2.03)	-	-	-		-
Liabilities:					
Trade Payable (Ref Note No. 2.15)	997.81	-	-		997.81
Borrowings (Ref Note No 2.14)	131075.82	-	-		131075.82
Other Financial Liabilities (Ref Note No. 2.11 & 2.16)	114763.90	-	-		114763.9

The carrying amounts are considered to be the same as their fair values, due to their short-term nature

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2018:

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs in Lakhs as of March 31, 2018)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	13993.74	-	-	13993.74	13993.74
Cash & Cash Equivalents (Ref Note No. 2.07)	72.92	-	-	72.92	72.92
Trade Receivable (Ref Note No. 2.06)	95371.98	-	-	95371.98	95371.98
Loans & Advances (Ref Note No. 2.03)	1114.79	-	-	1114.79	1114.79
Liabilities:					
Trade Payable (Ref Note No. 2.15)	7155.14	-	-	7155.14	7155.14
Borrowings (Ref Note No 2.14)	131075.82	-	-	131075.82	131075.82
Other Financial Liabilities (Ref Note No. 2.11 & 2.16)	130735.6	-	-	130735.6	130735.6

The carrying amounts are considered to be the same as their fair values, due to their short-term nature

6.2 Financial risk management

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

- market risk
- credit risk and
- liquidity risk

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

a. Market risk

Foreign Exchange Risk

The company does not deal with import and export transactions and hence foreign exchange risk is not applicable to the Company.

b. Credit Risk

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

Trade Receivables

The company has outstanding trade receivables amounting to Rs 26,654.53 lakhs and Rs 95,371.98 lakhs as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

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

Credit risk exposure

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(As at 31st March 2019, Rs. In lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	188.73	-	-
Past due less than 30 days		-	-
Past due more than 30 days but not more than 60 days	-	-	-
Past due more than 60 days but not more than 90 days	-	-	-
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	106851.66	-	-
Total	107040.39	-	-

(As at 31st March, 2018, Rs in lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	-	-	-
Past due less than 30 days	433.96	-	-
Past due more than 30 days but not more than 60 days	-	-	-
Past due more than 60 days but not more than 90 days	-	-	-
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	94938.02	-	-
Total	95371.98	-	-

Other financial assets

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

c) Liquidity Risk

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

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

(as of March 31, 2019 Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	333.75	-	664.06	-	997.81
Short term borrowings (cash credit)*	-	-	131075.85	-	-	131075.85
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities	-	-	114763.90	-	-	114763.90
Total	-	333.75	245839.75	664.06	-	246837.56

*Includes interest accrued on borrowings

(as of March 31, 2018 Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	1239.17	5.45	4945.95	964.58	-	7155.14
Short term borrowings (cash credit)*	-	-	131075.85	-	-	131075.85
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities	-	-	130735.60	-	-	130735.60
Total	1239.17	5.45	266757.4	964.58	-	268996.57

*Includes interest accrued on borrowings

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(d) Commodity Price Risk

The company is not exposed to the said risk

7. Disclosure in respect of Indian Accounting Standard (IndAS)-21 “The Effects of changes in Foreign Exchange Rates”

The company had not entered into any foreign currency transactions during the year

8. Disclosure in respect of Indian Accounting Standard (Ind AS)-23 “Borrowing Costs”

- The amount capitalized with Property, Plant & Equipment as borrowing cost is Rs. NIL & Rs. NIL for the year ended March 31, 2019 & March 31, 2018 respectively.
- The amount is capitalized using the capitalization rate of NIL percentage.

9. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 “Impairment of assets”

During the year, the company assessed the impairment loss of assets and ECL debited to Profit & Loss is NIL.

10. Disclosure in respect of Indian Accounting Standard (Ind AS)-20 “Accounting for Government Grants and Disclosure of Government Assistance”

The Company did not receive any Government Grants during the year and Previous year.

11. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 “Employee Benefits”

General description of various defined employee’s benefits schemes are as under:

a. Provident Fund:

The Company’s contribution paid/payable during the year to Provident Fund and the liability is recognized on accrual basis.

b. Gratuity:

Gratuity is a unfunded defined benefit plan and the gratuity scheme provides for a lump sum benefit, subject to a vesting period of 5 years in case of early separation, based on final last drawn salary and completed years of service.

c. Leave Encashment:

Provident Fund (Defined Contribution Obligation):

Contributions to Provident Fund, a defined contribution plan, are made in accordance with the statute and are recognized as an expense when employees have rendered service entitling them to the contributions.

Net defined benefit obligation

Particulars		Gratuity	Leave Encashment
Defined Benefit Obligation	C.Y.	14.74	4.46
	P.Y.	82.90	14.65
Fair Value of Plan Assets	C.Y.	-	-
	P.Y.	-	-
Funded Status [Surplus/(Deficit)]	C.Y.	-	-
	P.Y.	-	-
Effect of asset ceiling	C.Y.	-	-
	P.Y.	-	-
Net Defined Benefit Assets/(Liabilities)	C.Y.	14.74	4.46
	P.Y.	82.90	14.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Movement in defined benefit obligation**

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Present value of obligations as at beginning of year	82.90	167.74	14.65	30.02
Interest Cost	6.38	3.42	1.13	3.16
Current service cost	2.57	9.39	1.78	1.06
Benefits paid	(31.54)	(36.64)	(11.14)	11.05
Actuarial loss/(Gain)	(45.57)	(61.01)	(1.96)	(30.64)
Present value of obligations at year end	14.75	82.90	4.46	14.65
Current Liability	3.04	13.50	1.92	6.5
Non-Current Liability	11.71	69.40	2.54	8.15

Movement in plan asset

(Amount in Rs)

Particulars		Gratuity
Fair value of plan assets at beginning of year	C.Y.	-
	P.Y.	13.92
Interest income	C.Y.	-
	P.Y.	0.78
Employer contributions	C.Y.	-
	P.Y.	-
Benefits paid	C.Y.	-
	P.Y.	-
Re-measurements - Actuarial (loss)/ gain	C.Y.	-
	P.Y.	(8.44)
Re-measurements – Return on plan assets greater/(less) than discount rate	C.Y.	-
	P.Y.	-
Fair value of plan assets at end of year	C.Y.	-
	P.Y.	6.29

Amount Recognized in Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Net Gratuity Cost for the year ended 31.03.19				
Current service cost	-	-	-	-
Interest Cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/Loss	-	-	-	-
Expense recognized in the year	-	-	-	-
Assumptions in accounting for the Gratuity Fund				
Discount Rate	7.70%	7.70%	7.70%	7.70%
Salary Escalation Rate	7%	7%	7%	7%
Expected Average remaining working lives of employees (years)		16		16

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Actuarial Assumption

Particulars		Gratuity	Leave Encashment
Method used	C.Y.	Projected Unit Credit Method	Projected Unit Credit Method
	P.Y.	Projected Unit Credit Method	Projected Unit Credit Method
Discount rate	C.Y.	7.70%	7.70%
	P.Y.	7.70%	7.70%
Rate of salary increase	C.Y.	7%	7%
	P.Y.	7%	7%
Price inflation rate	C.Y.	-	-
	P.Y.	-	-
Medical inflation rate	C.Y.	-	-
	P.Y.	-	-
Expected Average remaining working lives of employees (years)	C.Y.	16	16
	P.Y.	16	16

13. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

13.1. Disclosures for Other than Govt. Related Entities

a. List of key management personnel

Name	Designation
Shri G. Srinivasa Raju	Managing Director
Smt. S. Kalyani	Vice President
Shri Pathan Apser Hussien	Company Secretary

b. Compensation of key management personnel (Amount in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term benefits	54.00	59.20
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
Total	54.00	59.20
Recovery of Loans & Advances during the year	-	-
Advances released during the year	-	-
Closing Balance of Loans & Advances as on 31.03.2019	-	-

List of Subsidiaries:

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31.03.2019
Subsidiaries held directly		
Digitech Business Systems Limited	Hong Kong	100

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**c. Transactions with Related Parties**

(Amount in Lakhs)

Particulars	Subsidiaries		Associates	
	2018-19	2017-18	2018-19	2017-18
A Sales				
Splendid Metal Products Ltd	-	-	95.16	519.94
Sujana Universal Industries Limited	-	-	-	-
Sub-Total			95.16	519.94
B Purchases				
Splendid Metal Products Ltd	-	-	42.35	77.67
Sujana Universal Industries Limited	-	-	-	-
Sub-total			42.35	77.67
Grand Total			137.51	597.61

d. Loans to Subsidiaries:

(Amount in Lakhs)

Particulars	Telesuprecon Limited	
	March 19	March 18
Loans at beginning of the year	-	1114.79
Loan advanced	-	-
Repayment received	-	-
Interest charged	-	-
Interest received	-	-
Balance at end of the year including interest	-	1114.79

All the related party transactions were performed at arm's length price.

14. Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

The company does not have any lease transactions during the period and hence no disclosures have been made.

15. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"**a. Basic EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows: (Amount in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the Equity Shareholders of the company	(60581.58)	(46263.32)
Earnings used in calculation of basic earnings per share (A)	(60581.58)	(46263.32)
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	56544552	56544552
Basic EPS (A/B)	(107.14)	(81.82)

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b. Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows: (Amount in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the Equity Shareholders of the company	(60581.58)	(46263.32)
Earnings used in calculation of basic earnings per share(A)	(60581.58)	(46263.32)
Weighted average number of ordinary shares for the purpose of Diluted earnings per share(B)	56544552	56544552
Diluted EPS(A/B)	(107.14)	(81.82)

16. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 “Provisions, Contingent Liabilities and Contingent Assets”

Particulars	Opening balance as on 01.04.18	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.19
Employee Benefit Obligation	49.41	-	(28.58)	-	-	20.83
Provision for fringe benefit tax	10.70	-	-	(10.7)	-	-
Provision for Income Tax	5527.80	-	-	(24.91)	-	5502.81
Total	5587.91	-	-	(35.61)	-	5523.64

Contingent Liabilities:

(Rs. Lakhs)

Particulars	2018-19	2017-18
a Claims against the company not acknowledged as debts including foreign currency claim towards:	-	-
b Guarantees excluding financial guarantees	-	-
c Other money for which the company is contingently liable	-	-
i. Guarantees issued by banks on behalf of the company	-	356.51
ii. Letters of credit opened by the company remaining outstanding	-	-
iii. Bonds furnished to custom authorities for submission of original documents etc., remaining outstanding		
d Disputed Income Tax Demand	2224.68	-
e Disputed TDS demands	36.00	
f Disputed Sales Tax Demand	174.51	167.69
g Disputed Service Tax Demand	-	
h Disputed Central Excise & Customs Demand	30.98	30.98
i Others (PF etc. specify nature of demand)		
Total	2466.17	555.18

17. Accounting Policies under IndAS:

i. Significant Accounting Policies

1.1 Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

1.2. Application of Indian Accounting Standards (Ind-AS)

All companies (listed or unlisted) having net worth of Rs 5,000 Million or more are required to adopt Ind AS

All amounts included in the financial statements are reported in of Indian rupees (Rupees in) except number of equity shares and per share data, unless otherwise stated.

1.3. Use of estimates and judgment

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

1.4. Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

1.5. Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

1.6. Property, Plant and Equipment's

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.7. Intangible Assets

All Intangible Assets are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they are available for use. Softwares are amortized over its useful life subject to a maximum period of 5 years or over the license period as applicable.

1.8. Non-Current Assets Held for Sale

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

1.9. Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Certain items of small value like calculators, wall clock, kitchen utensils etc. whose useful life is very limited are directly charged to revenue in the year of purchase. Cost of mobile handsets is also charged against revenue. The residual value of all the assets is taken as Re 1/-. The useful lives of the assets are taken as under:-

Name of Assets	Useful life as adopted by the company as per Schedule II
A. General Assets	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	10
Vehicles – Car	8
Computers - Servers and networks	6
Computers – End User Devices	3
Lease-hold Land	As per Lease Agreement
Wagon Rakes	As per Agreement / Wagon Investment Scheme
Electrical installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Roads	
Carpeted Roads – RCC	10
Carpeted Roads - Other than RCC	5

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Non Carpeted Roads	3
Culverts	30
Buildings	
RCC	60
Other than RCC	30
Residential Flats (Ready Built)	
RCC	60
Other than RCC	30
Temporary Structure & wooden partition	3
Warehouse / Godown	30
B. Manufacturing Unit's Assets	
Factory Buildings	30
Electronic installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Plant and Machinery	
Single Shift	15
Double Shift	10
Triple Shift	7.5
Plant and Machinery- Wind Energy Generation Plant	22
C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company	5
D. Amortization of Intangible Assets	
Software	5 years or License period as applicable

1.10. Borrowing Costs

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

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.11. Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The method of determination of cost and valuation is as under:

Cost of Inventories comprises - of Cost of Purchase, cost of conversion and other costs incurred in bringing them to their present location and condition.

Raw Materials and Work-in-Progress are valued at cost using the Weighted Average cost method.

Goods- produced and purchased are valued at Cost or Net Realizable value whichever is lower.

Excise duty in respect of finished goods awaiting dispatch is included in the valuation of inventory.

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.12. Provisions

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

1.13. Contingent Liabilities / Assets

Contingent Liabilities

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

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

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

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

Contingent Assets

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

1.14. Leases

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

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

1.15. Employee benefits

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- iv. Payment of Ex-gratia and Notice pay on Voluntary Retirement are charged to revenue in the year incurred.
- v. Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary.

Short-term employee benefit obligations

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under PLI / PRP Scheme, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.16. Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are

NEUEON TOWERS LIMITED

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recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

1.17. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Company.

1.18. Impairment

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, The Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified,

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Impairment of financial assets**

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or

NEUEON TOWERS LIMITED

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loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

1.19 Earnings per share

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.20 Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

1.21 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

e) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost. An entity controlled by the company is considered as a subsidiary of the company.

Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition.

Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

1.22 Segment Information

The company is principally engaged in single business segment viz., "Power and Telecom Tower", and operates in one geographical segment as per on 'Segment Reporting'. Accordingly no segment reporting has been made by the company.

1.23 Going Concern

The company has incurred loss during the year and has negative net worth as at 31 March 2019 that may create uncertainties. However various initiatives taken by the company in relation to cost saving, optimising revenue management opportunities and enhance ancillary revenues is expected to result in improved operating performance, there are positive signs where most of the lenders have accepted for a restructuring proposal. Accordingly the financial statements continue to be prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

17. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 26.04.2019.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in Lakhs

STATEMENT OF CHANGES IN EQUITY (SOCIE)

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Rs.	No. of Shares	Rs.
(A) Equity share capital				
Balance at the beginning of the reporting period	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Change in equity Share capital during the year	-	-	-	-
Balance at the end of the reporting period	5,65,44,552	5,654.46	5,65,44,552	5,654.46
(B) Other equity				
			Reserves & Surplus	
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Retained earnings
Balance as at April 1, 2017	11,669.67	296.80	36,332.19	(37,957.93)
Profit/(loss) for the year				(46,263.32)
Other comprehensive income for the year, net of taxes				-
Others				-
Total comprehensive income for the year				(46,263.32)
Dividend (including tax on dividend)				-
Balance as at March 31, 2018	11,669.67	296.80	36,332.19	(84,221.25)
Balance as at April 1, 2018	11,669.67	296.80	36,332.19	(84,221.25)
Profit for the year				(60,581.58)
Other comprehensive income for the year, net of taxes				-
Others				-
Total comprehensive income for the year				(60,581.58)
Dividend (including tax on dividend)				-
Balance as at March 31, 2019	11,669.67	296.80	36,332.19	(1,44,802.83)
See accompanying notes forming part of the financial statements				(96,504.17)

As per our report of even date

M/s. Venugopal & Chenoy
Chartered Accountants
Firm's Registration No: 004671S

P.V. Sri Hari
Partner
Membership No. 21961

Place: Hyderabad
Date: 26.04.2019

For and on behalf of the Board

G. Srinivasa Raju
Managing Director

S. Kalyani
Vice-President (Finance)

S. Hanumantha Rao
Director

Pathan Apser Hussien
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs. in lakhs

2.01 Property, Plant and Equipment

PARTICULARS	Gross Block			Depreciation				Net Block		
	Opening Gross Block as on 01.04.2018	Additions during the period Apr'18 to March'19	Deletions during the period Apr'18 to March'19	Closing Gross Block as on 31.03.2019	Opening Gross Block as on 01.04.2018	Depreciation for the period Apr'18 to March'19	Depreciation withdrawn	Acc. Dep. As on 31.03.2019	Net Block as on 31.03.2019	Net Block as on 31.03.2018
A) Tangible Assets										
Land	1,868.84	-	-	1,868.84	-	-	-	-	1,868.84	1,868.84
Building	3,554.18	-	-	3,554.18	997.88	118.71	-	1,116.59	2,437.59	2,556.30
Plant & Machinery	1,85,081.11	-	-	1,85,081.11	42,475.77	9,246.73	-	51,722.50	1,33,358.61	1,42,605.34
Workshop Equipments	9.60	-	-	9.60	5.54	0.46	-	5.99	3.61	4.06
Weighing Machine	11.34	-	-	11.34	8.93	0.54	-	9.47	1.87	2.41
Electrical Installations	174.72	-	-	174.72	97.34	8.30	-	105.64	69.08	77.38
Furniture & Fixtures	33.16	-	-	33.16	21.50	2.12	-	23.61	9.54	11.66
Office Equipments	50.55	-	-	50.55	24.26	2.45	-	26.71	23.84	26.29
Vehicles	193.36	-	64.71	128.65	190.08	-	64.31	125.77	2.88	3.28
Computers	108.10	-	-	108.10	108.10	-	-	108.10	-	-
	1,91,084.96	-	64.71	1,91,020.25	43,929.39	9,379.31	64.31	53,244.39	1,37,775.86	1,47,155.56
Less: Revaluation Reserve										
Total of Tangible Assets	1,91,084.96	-	64.71	1,91,020.25	43,929.39	9,379.31	64.31	53,244.39	1,37,775.86	1,47,155.56
B) Intangible Assets										
Computer Software	17.13	-	-	17.13	16.87	-	-	16.87	0.27	0.27
Total (A+B)	1,91,102.09	-	64.71	1,91,037.38	43,946.26	9,379.31	64.31	53,261.25	1,37,776.12	1,47,155.83

Note : Depreciation is provided on Straight Line Basis applying the rates specified in the Schedule II to the Companies Act, 2013. Depreciation on the revalued fixed assets charged to revaluation reserve.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2019	2018
2.02	Non-Current Investments		
	Investments in Equity Instruments		
	In Wholly Owned Subsidiary Companies (Unquoted, Non-trade, at cost)		
	Investment in Subsidiaries - Equity instruments- Unquoted	13,993.47	13,993.47
	23,32,04,400 (Previous Year 39,000) Equity Shares of HKD 1 each fully paid in Digitech Business Systems Limited	-	0.22
	510 (Previous Year 510) Equity Shares of USD 1 each fully paid in Telesupricon Ltd	-	0.05
	116 (Previous Year 116) Equity shares of USD 1 each fully paid in STL Africa Ltd		
	Total	13,993.47	13,993.74
2.03	Non-Current Loans		
	Loans and Advances to Subsidiaries	-	1,114.79
		-	1,114.79
2.04	Other non-current assets		
	Other Loans & Advances	-	1,095.38
	Total	-	1,095.38
2.05	Inventories		
	(at lower of cost or net realizable value)		
	Raw Materials	54.08	365.51
	Work in Process	-	36.31
	Finished Goods	137.63	588.19
	Stores and Spares	469.97	586.30
	Total	1,576.00	2,206.70
2.06	Trade Receivables		
	a) Unsecured & Considered Good	26,654.53	95,371.98
	b) Doubtful Debtors	80,385.87	40,873.70
		1,07,040.39	1,36,245.68
	Less: Provision for doubtful debts	80,385.87	40,873.70
	Total	26,654.53	95,371.98
2.07	Cash and Cash Equivalents		
	Cash on Hand	1.57	0.34
	Bank Balances in Current Accounts	61.13	24.22
	Deposits with banks	-	48.35
		62.69	72.92
	Notes: Margin Money Deposits represents margin money kept with various banks for issue of Letter of Credits.		
2.08	Other Current Assets		
	Advance for Expenses & Others	2.50	32.15
	Advances to Suppliers & Others	23.49	24.99
	Margin Money With Parties	50.59	40.18
	Deposits with Govt Deposit (incl Excise, VAT)	1,063.76	1,266.05
	Total	1,140.34	1,363.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.09 Equity Share Capital

Rupees in lakhs

(i) The authorised, issued, subscribed and fully paid-up share capital				
Particulars	As At March 31, 2019		As At March 31, 2018	
	No. of shares	Rs.	No. of shares	Rs.
Authorised:				
Equity shares of ₹ 10 each with voting rights	79,00,00,000	79,000.00	79,00,00,000	79,000.00
1% Cumulative Redeemable Preference Shares of Rs. 100/- each	21,00,00,000	2,10,000.00	21,00,00,000	2,10,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Total	5,65,44,552	5,654.46	5,65,44,552	5,654.46

The equity shares of the Company having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend.

Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

(ii) Details of shares held by each share holder holding more than 5% shares				
Name of shareholder	As At March 31, 2019		As At March 31, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 10 each with voting rights				
Yalamanchili Finance & Trading (P) Ltd	47,67,500	8.43%	47,67,500	8.43%
Sujana Holdings Limited	1,21,29,629	21.45%	1,21,29,629	21.45%
Foster Infin & Trading (P) Ltd	50,95,999	9.01%	50,95,999	9.01%
Total	1,68,97,129	38.89%	1,68,97,129	38.89%

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
	As At March 31, 2019		As At March 31, 2018	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares				
Opening balance	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Issued during the year	-	-	-	-
Closing balance	5,65,44,552	5,654.46	5,65,44,552	5,654.46

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
2.10 Reserves & Surplus		
a) Capital Reserves		
Opening Balance	11,669.67	11,669.67
Add: Additions During the Year	-	-
	<u>11,669.67</u>	<u>11,669.67</u>
b) Capital Redemption Reserve		
Opening Balance	296.80	247.30
Add: Additions During the Year	-	49.50
	<u>296.80</u>	<u>296.80</u>
c) Securities Premium Reserves		
Opening Balance	36,332.19	36,332.19
Add: Additions During the Year	-	-
	<u>36,332.19</u>	<u>36,332.19</u>
d) Revaluation Reserves		
Opening Balance	-	-
Less: Depreciation on Revalued Assets	-	-
	<u>-</u>	<u>-</u>
d) General Reserves		
Opening Balance	-	-
Less: Transferred to Capital Redemption Reserve	-	-
	<u>-</u>	<u>-</u>
f) Retained Earnings		
Opening Balance	(84,221.25)	(37,957.93)
Less: Prior Period Adjustments	-	-
	<u>(84,221.25)</u>	<u>(37,957.93)</u>
Add: Profit/(Loss) for the year	(60,581.58)	(46,263.32)
Less: Dividend and Transfer of Capital Redemption Reserves	-	-
	<u>(144,802.84)</u>	<u>(84,221.25)</u>
Total (a+b+c+d+e+f)	<u>(96,504.18)</u>	<u>(35,922.60)</u>
2.11 Non-Current Borrowings		
Secured		
a) Term Loans from Banks (Refer to Note 1)		
i) Term Loan from Banks	-	-
ii) From other Parts	-	-
	<u>-</u>	<u>-</u>
Un-Secured		
Promoters Contribution as per CDR Schedule	11,805.89	13,336.54
Unsecured Loan Others	2,026.27	3,252.58
Deferred sales tax liability	304.67	304.67
Loans from Promoters and Promoter Group Companies	-	16,500.00
	<u>14,136.84</u>	<u>33,393.79</u>
Total	<u>14,136.84</u>	<u>33,393.79</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
2.12 Provisions		
Non-current		
Employee Benefit obligation	27.81	204.27
	<u>27.81</u>	<u>204.27</u>
Current		
Other Provisions		
Employee Benefit obligation	20.83	49.41
Dividends & Dividend Tax on CRPS	14.48	16.64
Provision for Fringe Benefit Tax	-	10.70
Provision for Income Tax	5,502.89	5,527.80
	<u>5,538.20</u>	<u>5,604.55</u>
Total	<u>5,566.00</u>	<u>5,808.82</u>
2.13 Deferred Tax Liability / (Asset) (Net)		
Opening Balance	16,714.88	14,432.91
Add: Deferred Tax Assets in relation to		
(i) Difference in depreciation & amortisation for accounting and income tax purposes	1,555.43	2,348.81
(ii) Provision for employee benefits	(12.59)	(66.83)
(iii) Disallowance under Section 43B of Income Tax Act, 1961	-	-
Deferred Tax Liability / (Asset) (Net)	<u>18,257.72</u>	<u>16,714.88</u>
2.14 Current Borrowings		
Secured		
From Consortium Banks	131,075.82	131,075.82
From Other Banks	-	-
Total	<u>131,075.82</u>	<u>131,075.82</u>
2.15 Trade Payables		
i) Acceptance (Refer to Note 1 & 2)	-	-
ii) Trade Payables	997.81	7,155.14
Total	<u>997.81</u>	<u>7,155.14</u>
2.16 Other Financial Liabilities		
Current Maturities of Long Term Debt (Secured)	88,463.79	88,463.79
Vehicle Loans	-	-
Term Loans	12,085.20	8,711.61
Advances from Customers	-	-
Statutory Liabilities	78.07	166.41
Total	<u>100,627.06</u>	<u>97,341.81</u>
2.17 Other Current Liabilities		
Loans and advances from related parties	-	-
Sundry Creditors for Services & Others	350.47	395.05
Total	<u>350.47</u>	<u>395.05</u>

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
2.18 Revenue from Operations		
From Sale of Products (Gross)		
- Domestic	4,189.89	6,477.89
- Exports	-	-
Total	<u>4,189.89</u>	<u>6,477.89</u>
2.19 Other Income		
Interest Income	4.47	1.46
Loss on Sale of Investments	-	-
Other Non-operating Income (net of expenses directly attributable to such income)		
Forex Gain (Net)	-	-
Other Operating Income	0.34	-
Total	<u>4.80</u>	<u>1.46</u>
2.20 (a) Cost of Material Consumed		
Opening Stock of Raw material	365.51	299.51
Add: Purchases	2,824.63	5,216.61
	3,190.14	5,516.12
Less: Closing Stock	54.08	365.51
Total	<u>3,136.05</u>	<u>5,150.62</u>
(b) Purchases of Stock-in-Trade		
Opening stock	-	-
Add: Purchases	-	-
Add (Less:) Raw material received (transferred)	-	-
	-	-
Less: Closing stock	-	-
Stock-in-Trade materials consumed	-	-
2.21 Changes in Inventories		
a) Opening Stock		
Finished Goods	588.19	1,038.44
Work-in-Progress	36.31	180.64
	<u>624.49</u>	<u>1,219.08</u>
b) Closing Stock		
Finished Goods	137.63	588.19
Work-in-Progress	-	36.31
	<u>137.63</u>	<u>624.49</u>
(Increase) / Decrease (a - b)	<u>486.86</u>	<u>594.59</u>
2.22 Employee Benefits Expense		
Salaries and Wages	294.98	363.72
Contribution to Provident and Other Funds	11.14	21.72
Directors remuneration	-	-
Total	<u>306.12</u>	<u>385.44</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31st March 2019	Year ended 31st March 2018
2.23 Finance Costs		
Interest on working capital loans	-	-
Interest Expenses on Term Loans	4,105.69	-
Other borrowing costs	2,727.92	35.87
Total	6,833.61	35.87
2.24 Other Expenses		
Consumption of stores, loose tools and spare parts	684.47	557.16
Power and fuel	151.48	157.31
Repairs and maintenance:	9.38	4.91
Rates and taxes, excluding, taxes on income	20.20	7.21
Insurance	0.15	11.75
Traveling and conveyance	10.56	13.46
Communication	0.52	2.45
Contract labor charges (security charges)	36.33	29.85
Legal and professional fees	77.88	34.55
Auditor Remuneration	-	5.00
Sales promotion and advertisement	1.81	3.12
Advances Written Off	2,723.14	
Loss sale of Investments	(140.98)	-
Loss on sale of Vehicles	(2.87)	
Provision for Bad Debts	39,512.16	34,009.72
Printing and stationery	4.50	1.52
Sitting Fees	2.70	1.88
Miscellaneous expenses	0.07	0.05
Total	43,091.48	34,839.95

Consolidated Accounts for the year ended 31.03.2019

NEUEON TOWERS LIMITED

INDEPENDENT AUDITORS' REPORT

To

The Members

NEUEON TOWERS LIMITED,

Hyderabad.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Neueon Towers Limited (herein referred to as "the Holding Company"), and its subsidiaries, (the Holding Company and its subsidiaries, together are referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year ended on that date and a summary of the Significant Accounting Policies and other information annexed thereto (herein after referred to as "the consolidated Ind AS financial statements")

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified opinion paragraph below, the aforesaid Consolidated Ind AS financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, of its profit/loss, changes in equity and the cash flows for the year then ended.

Basis for Qualified Opinion

- a. The Company has defaulted in repayment of dues to Banks/Financial institutions during the current financial year. All loans outstanding were classified as NPA by the banks during the preceding financial years. Provision for interest (excluding penal interest) amounting to Rs. 25,321.50 lakhs On working capital and term loans has not been made in the books by the Company, as these Loans were classified as NPA by the Lending banks and Financial institutions. The loss of the Company has been understated by Rs. 25,321.50 lakhs in view of the non provision of the interest amount. If the accrued interest on outstanding bank facilities is debited to the statement of profit or loss then the company will incur a loss of Rs. 92817.83 lakhs.
- b. The company has made a provision for bad debts amounting to Rs. 46425.11 lakhs during the current year, the realisability of trade receivables amounting to Rs. 40,335.71 lakhs is in doubt and the company has not made any provision for bad and doubtful debts in respect of these receivables.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 16.1.23 of the Consolidated Ind AS financial statements regarding preparation of the Ind AS standalone financial statements on going concern basis for reasons stated therein. The appropriateness of assumption of going concern is dependent on realization of various initiatives taken by the company and the company's ability to generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date	Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the information system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Other matter

- (a) We did not audit the Financial Statements of one subsidiary, whose Financial Statements reflect total assets (net) of Rs.13688.23lakhs as at March 31, 2019, and Nil total revenues and no net cash inflows for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Other Information:

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Consolidated financial statements and our auditors' report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

NEUEON TOWERS LIMITED

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013, (the Act) that give a true and fair view of the consolidated financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 read with relevant rules issued thereunder.

The respective Board of Directors included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Financial statements.

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

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

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

that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A to this report, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section (2) of the Act;

NEUEON TOWERS LIMITED

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended.

According to the information and explanations given to us and based on our examination of the records of the Company, the company has not paid any managerial remuneration to any director.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position of the group.
 - ii. The company did not have any longterm contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For VENUGOPAL & CHENOY
Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)
Partner

Membership No. 021961

Place: Hyderabad
Date: 26.04.2019

ANNEXURE - A TO THE AUDITORS’ REPORT

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

We have audited the internal financial controls over financial reporting of Neueon Towers Limited (herein referred to as “the Holding Company”) as of 31st March 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date. As all the subsidiaries of Neueon Towers Limited are incorporated outside India, this report is given only for Holding Company.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VENUGOPAL & CHENYOY

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)

Partner

Membership No. 021961

Place: Hyderabad
Date: 26.04.2019

NEUEON TOWERS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

(Rupees in Lakhs)

Particulars	Note No.	As at 31st March	
		2019	2018
A ASSETS			
1 Non- Current Assets			
(a) Property, Plant and Equipment	2.01	1,37,775.87	1,47,328.51
(b) Capital Work-in-Progress		-	-
(c) Other Intangible Assets	2.01	0.27	0.27
(d) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables		-	-
(iii) Loans	2.02	-	1,114.79
(iv) Others		-	-
(d) Deferred tax asset	2.12	-	-
(e) Other non-current assets	2.03	-	1,095.38
		<u>1,37,776.14</u>	<u>1,49,538.95</u>
2 Current Assets			
(a) Inventories	2.04	661.68	1,716.44
(b) Financial Assets			
(i) Trade receivables	2.05	40,335.71	1,72,529.32
(ii) Cash and cash equivalents	2.06	69.75	114.08
(c) Other current assets	2.07	1,140.34	1,388.47
		<u>42,207.48</u>	<u>1,75,748.31</u>
TOTAL		<u>1,79,983.64</u>	<u>3,25,287.26</u>
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	2.08	5,781.29	5,781.29
(b) Other Equity		(96,862.27)	(22,562.83)
		<u>(91,080.98)</u>	<u>(16,781.54)</u>
LIABILITIES			
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.09	-	7,784.77
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities	2.09	14,136.83	33,393.79
(b) Provisions	2.10	27.81	204.27
(c) Deferred tax liabilities (Net)	2.11	18,251.01	16,708.17
(d) Other non-current liabilities		-	-
		<u>32,415.65</u>	<u>58,091.00</u>
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.12	1,31,075.82	1,31,075.82
(ii) Trade payables	2.13	997.81	48,015.93
(iii) Other financial liabilities	2.14	1,00,627.06	97,336.40
(b) Provisions	2.10	5,538.24	5,604.53
(c) Other current liabilities	2.15	410.04	1,945.12
		<u>2,38,648.97</u>	<u>2,83,977.80</u>
Total Equity and Liabilities		<u>1,79,983.64</u>	<u>3,25,287.26</u>

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

P.V. Sri Hari

Partner

Membership No. 21961

Place: Hyderabad

Date: April 26, 2019

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussen

Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31.03.2019

(Rs. In Lakhs)

Particulars	Note No	For the Year Ended	
		2019	2018
I Revenue			
Revenue from Operations	2.16	4,189.89	7,344.03
Other Income	2.17	4.81	1.46
Total Revenue		4,194.70	7,345.49
II Expenses			
Cost of Materials Consumed	2.18	3,136.06	5,150.61
Excise duty		-	63.08
Purchase of Stock-in-Trade	2.18	-	846.69
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.19	486.87	594.58
Employee Benefit Expenses	2.20	306.12	385.44
Finance Costs	2.21	6,833.61	39.29
Depreciation and Amortization Expenses	2.01	9,379.31	9,391.17
Other Expenses	2.22	50,006.22	34,850.61
Total Expenses		70,148.19	51,321.47
III Profit Before Exceptional Items and Tax (I - II)		(65,953.49)	(43,975.98)
IV Exceptional Items		-	-
V Profit Before Tax (III - IV)		(65,953.49)	(43,975.98)
VI Tax Expense:			
Current tax		-	-
Deferred tax		1,542.84	2,281.98
VII Profit for the Year (V - VI)		(67,496.33)	(46,257.96)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit plans		-	-
Taxes on the above		-	-
IX Other comprehensive income (Net of taxes)		-	-
X Total comprehensive income for the Year (VIII + IX)		(67,496.33)	(46,257.96)
XI Earnings Per Equity Share of Rs.10 each			
(a) Basic		(119.37)	(81.81)
(b) Diluted		(119.37)	(81.81)

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

P.V. Sri Hari

Partner

Membership No. 21961

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussen

Company Secretary

Place: Hyderabad

Date: April 26, 2019

NEUEON TOWERS LIMITED

Cosolidated Cash Flow Statement for the Year Ended 31.03.2019

(Rs. in Lakhs)

Particulars	For the year ended 31st March	
	2019	2018
A Cash flows from Operating activities		
Net Profit / (Loss) Before Tax for the year	(65,953.49)	(43,975.98)
Adjustments for		
Foreign Exchange Reserve	(6,803.11)	
Depreciation	9,379.31	9,391.16
Finance Costs	6,833.61	39.29
Interest & other income	(4.47)	(1.46)
Loss on sale of Investment	(140.98)	
Loss on sale of Vehicles	(2.87)	
Provision for Gratuity & Leave Encashment		-
Provision for doubtful debts	49,148.25	34,009.72
Operating Profit Before Working Capital Changes	(7,543.75)	(537.26)
Movements in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	1,054.76	630.69
Trade Receivables	83,045.36	(473.51)
Loans & Advances	1,114.79	-
Other Financial Assets		-
Other Assests	1,343.51	3,625.71
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	(47,018.12)	165.23
Provisions	(242.75)	-
Financial Liabilities	(15,966.30)	54,397.55
Other Liabilities	(1,535.08)	(62.43)
Cash Generated from Operations	14,252.42	57,745.98
Less: Taxes paid		-
Cash from Operating Activities (A)	14,252.42	57,745.98
B Cash flows from Investing activities		
Sale of Fixed Assets	313.89	
Sales of Investment	3.27	-
Interest Received	4.47	1.46
Cash from Investment Activities (B)	321.63	1.46
C Cash flows from Financing activities		
Proceeds from Borrowings	(7,784.77)	(57,719.95)
Interest & Financial Charges Paid	(6,833.61)	(39.29)
Net Cash from financing activities (C)	(14,618.38)	(57,759.24)
Net Increase in cash and cash equivalent (A+B+C)	(44.33)	(11.80)
Cash and Cash Equivalents at the beginning of the year	114.08	125.88
Cash and Cash Equivalent at the end of the year	69.75	114.08

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

P.V. Sri Hari

Partner

Membership No. 21961

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussen

Company Secretary

Place: Hyderabad

Date: April 26, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**1. General Information**

The Company is in the area of manufacturing and company is currently operating in various areas/verticals/products related to Towers & Transmission, TSF and Speciality Structural steel Manufacturing Business.

2. Basis of preparation of Financial Statements

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these Consolidated financial statements. The Consolidated Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

These consolidated financial statements are the Group's second Ind AS consolidated financial statements. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in Indian rupees (in Rupees) except number of equity shares and per share data, unless otherwise stated.

3. Principles of Consolidation

The consolidated financial statements relate to Neueon Towers Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- d) Non Controlling Interest's share of profit/ loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

4. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

The significant accounting policies are given at Note 16.

5. Use of estimates and judgment :

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Difference between the actual results and estimates are recognised in the period in which the results are known/materialised

6. Commitments

- (a) **Capital Commitments:** Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on capital account and not provided for is Rs. NIL (P.Y. Rs. NIL).
- (b) **Commitment related to Investment Properties:** Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on account of external projects and not provided for is Rs. NIL (P.Y. Rs. NIL).
- (c) **Other Commitments:** Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on account of external projects and not provided for is Rs. NIL (P.Y. Rs. NIL).

7. Additional information pursuant to Schedule III of the Companies Act, 2013

Value of Materials Consumed during the year

Description	For the year ended 31.03.2019			For the Year ended 31.03.2018		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	5535.204	2091.49	78.5	15048.055	5027.17	98
Imported	-	-		-	-	
Tower Parts						
Indigenous	-	-		268.210	123.45	2
Imported	-	-		-	-	
Others						
Indigenous	146.623	572.18	21.5	-	-	
Imported	-	-		-	-	
Total		2663.67	100	15316.265	5150.62	100

Value of bought-out material consumed

(Rs. in Lakhs)

Description	For the year ended 31.03.2019			For the Year ended 31.03.2018		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	1201.040	472.38	100	88.00	19.39	4
Imported	-	-				
Tower Parts						
Indigenous	-	-		-	444.53	96
Imported	-	-				
Others						
Indigenous	-	-				
Imported	-	-				
Total		472.38	100	88.00	463.92	100

Value of Consumables, Stores and Spares consumed during the period

(Rs in Lakhs)

Description	For the year ended 31.03.2019	%	For the year ended 31.03.2018	%
Consumables(Indigenous)	654.00	100	516.70	100
Consumables(Imported)		-		-
Total	654.00	100	516.70	100

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**8. Financial Instruments - Fair Values and Risk Management****8.1. Financial Instruments by Categories**

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

(Amount in Rs as of March 31, 2019)

Particulars	Cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	-	-	-	-	-
Cash & Cash Equivalents (Ref Note No. 2.07)	69.75	-	-	69.75	-
Trade Receivable (Ref Note No. 2.06)	40335.71	-	-	40335.71	-
Loans & Advances (Ref Note No. 2.03)	-	-	-	-	-
Liabilities:	-	-	-	-	-
Trade Payable (Ref Note No. 2.15)	997.81	-	-	997.81	-
Borrowings (Ref Note No. 2.14)	131075.82	-	-	131075.82	-
Other Financial Liabilities (Ref Note No. 2.11 & 2.16)	114763.89	-	-	114763.89	-

The carrying amounts are considered to be the same as their fair values, due to their short-term nature

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2018:

(Amount in Rs as of March 31, 2018)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	-	-	-	-	-
Cash & Cash Equivalents (Ref Note No. 2.07)	114.08	-	-	114.08	-
Trade Receivable (Ref Note No. 2.06)	172529.32	-	-	172529.32	-
Loans & Advances (Ref Note No. 2.03)	1114.79	-	-	1114.79	-
Liabilities:					
Trade Payable (Ref Note No. 2.14)	48015.93	-	-	48015.93	-
Borrowings (Ref Note No. 2.14)	138860.59	-	-	138860.59	-
Other Financial Liabilities (Ref Note No. 2.11 & 2.16)	130730.19	-	-	130730.19	-

The carrying amounts are considered to be the same as their fair values, due to their short-term nature

8.2 Financial risk management

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

- market risk
- credit risk and
- liquidity risk

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

a. Market risk

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign Exchange Risk

The company does not deal with import and export transactions and hence foreign exchange risk is not applicable to the Company.

b. Credit Risk

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

Trade Receivables

The company has outstanding trade receivables amounting to Rs. 40335.71 lakhs and Rs. 172529.32 lakhs as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

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

Credit risk exposure

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

(As at 31st March 2019, Rs. Lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	-	-	-
Past due less than 30 days	188.73	-	-
Past due more than 30 days but not more than 60 days	-	-	-
Past due more than 60 days but not more than 90 days	-	-	-
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	120532.84	-	-
Total	120721.57	-	-

(As at 31st March, 2018, Rs. Lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	-	-	-
Past due less than 30 days	433.96	-	-
Past due more than 30 days but not more than 60 days	-	-	-
Past due more than 60 days but not more than 90 days	-	-	-
Past due more than 90 days but not more than 120 days	172095.36	-	-
Past due more than 120 days	-	-	-
Total	172529.32	-	-

Other financial assets

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

c) Liquidity Risk

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

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the undisclosed cash flows of financial liabilities

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

(as of March 31, 2019 .Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	333.75	-	664.06	-	997.81
Short term borrowings (cash credit)*	-	-	131075.82	-	-	131075.82
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities	-	-	114763.89	-	-	114763.89
Total	-	333.75	245839.71	664.06	-	246837.52

*Includes interest accrued on borrowings

(as of March 31, 2018. Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	1239.17	5.45	4945.95	41825.37	-	48015.94
Short term borrowings (cash credit)*	-	-	131075.82	-	-	131075.82
Long Term Borrowings	-	-	7784.77	-	-	7784.77
Other Financial Liabilities	-	-	130730.19	-	-	130730.19
Total	1239.17	5.45	274536.73	41825.37	-	317606.72

*Includes interest accrued on borrowings

9. Disclosure in respect of Indian Accounting Standard (Ind AS)-21 “The Effects of changes in Foreign Exchange Rates”

The company had not entered into any foreign currency transactions during the year

10. Disclosure in respect of Indian Accounting Standard (Ind AS)-23 “Borrowing Costs”

❖ The amount capitalized with Property, Plant & Equipments as borrowing cost is Rs. NIL & Rs. NIL for the year ended March 31, 2019 & March 31, 2018 respectively.

❖ The amount is capitalized using the capitalization rate of NIL%.

11. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 “Impairment of assets”

During the year, the company assessed the impairment loss of assets and ECL debited to Profit & Loss is NIL.

12. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 “Employee Benefits”

General description of various defined employee’s benefits schemes are as under:

a. Provident Fund:

The Company’s contribution paid/payable during the year to Provident Fund and the liability is recognized on accrual basis.

b. Gratuity:

Gratuity is a unfunded defined benefit plan and the gratuity scheme provides for a lump sum benefit, subject to a vesting period of 5 years in case of early separation, based on final last drawn salary and completed years of service.

c. Leave Encashment:

Provident Fund(Defined Contribution Obligation):

Contributions to Provident Fund, a defined contribution plan, are made in accordance with the statute and are recognized as an expense when employees have rendered service entitling them to the contributions..

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Net defined benefit obligation

Particulars		Gratuity	Leave Encashment
Defined Benefit Obligation	C.Y.	14.74	4.46
	P.Y.	82.90	14.65
Fair Value of Plan Assets	C.Y.	-	-
	P.Y.	-	-
Funded Status [Surplus/(Deficit)]	C.Y.	-	-
	P.Y.	-	-
Effect of asset ceiling	C.Y.	-	-
	P.Y.	-	-
Net Defined Benefit Assets (Liabilities)	C.Y.	14.74	4.46
	P.Y.	82.90	14.65

Movement in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Present value of obligations as at beginning of year	82.90	167.74	14.65	30.02
Interest Cost	6.38	3.42	1.13	3.16
Current service cost	2.57	9.39	1.78	1.06
Benefits paid	(31.54)	(36.64)	(11.14)	11.05
Actuarial loss/(Gain)	(45.57)	(61.01)	(1.96)	(30.64)
Present value of obligations at year end	14.75	82.90	4.46	14.65
Current Liability	3.04	13.50	1.92	6.5
Non-Current Liability	11.71	69.40	2.54	8.15

Movement in plan asset

(Amount in Rs)

Particulars		Gratuity
Fair value of plan assets at beginning of year	C.Y.	-
	P.Y.	13.92
Interest income	C.Y.	-
	P.Y.	0.78
Employer contributions	C.Y.	-
	P.Y.	-
Benefits paid	C.Y.	-
	P.Y.	-
Re-measurements - Actuarial (loss)/ gain	C.Y.	-
	P.Y.	(8.44)
Re-measurements – Return on plan assets greater/(less) than discount rate	C.Y.	-
	P.Y.	-
Fair value of plan assets at end of year	C.Y.	-
	P.Y.	6.26

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Amount Recognized in Statement of Profit and Loss**

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Gratuity Cost for the year ended 31.03.18				
Current service cost	-	-	-	-
Interest Cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/Loss	-	-	-	-
Expense recognized in the year	-	-	-	-
Assumptions in accounting for the Gratuity Fund				
Discount Rate	7.70%	7.70%	7.70%	7.70%
Salary Escalation Rate	7%	7.00%	7%	7.00%
Expected Average remaining working lives of employees (years)	-	16	-	16

Actuarial Assumption

Particulars		Gratuity	Leave Encashment
		Projected Unit Credit Method	
Method used	C.Y.	Projected Unit Credit Method	
	P.Y.	Projected Unit Credit Method	
Discount rate	C.Y.	7.70%-	7.70%-
	P.Y.	7.70%	7.70%
Rate of salary increase	C.Y.	7%	7%
	P.Y.	7%	7%
Price inflation rate	C.Y.	-	-
	P.Y.	-	-
Medical inflation rate	C.Y.	-	-
	P.Y.		
Expected Average remaining working lives of employees (years)	C.Y.		
	P.Y.	16	16

13. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

i. Disclosures for Other than Govt. Related Entities

List of key management personnel

Name	Designation
Shri.G. Srinivasa Raju	Managing Director
S. Kalyani	Vice President
Pathan Apser Hussien	Company Secretary

ii. Compensation of key management personnel

(Amount in Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term benefits	54.00	59.28
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
Total	54.00	59.28
Recovery of Loans & Advances during the year	-	-
Advances released during the year	-	-
Closing Balance of Loans & Advances as on 31.03.20...	-	-

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

List of Subsidiaries:

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31.03.2019
Subsidiaries held directly		
Digitech Business Systems Limited	Hong Kong	100

c. Transactions with Related Parties

(Amount in Rs. in Lakhs)

Particulars	Subsidiaries		Associates	
	2018-19	2017-18	2018-19	2017-18
A Sales				
Splendid Metal Products Ltd	-	-	95.16	529.94
Sujana Universal Industries Limited	-	-	-	0
Sub-Total	-	-	95.16	529.94
B Purchases				
Splendid Metal Products Ltd	-	-	42.35	77.67
Sujana Universal Industries Limited	-	-	-	0
Sub-total	-	-	42.35	77.67
Grand Total	-	-	137.51	597.61

d. Loans to Subsidiaries:

(Amount in Rs. in Lakhs)

Particulars	Telesuprecon Limited	
	March 19	March 18
Loans at beginning of the year	-	1114.79
Loan advanced	-	-
Repayment received	-	-
Interest charged	-	-
Interest received	-	-
Balance at end of the year including interest	-	1114.79

All the related party transactions were performed at arm's length price.

14. Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

The company does not have any lease transactions during the period and hence no disclosures have been made.

15. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

i. Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	(67496.33)	(46257.96)
Earnings used in calculation of basic earnings per share (A)	(67496.33)	(46257.96)
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	56544552	56544552
Basic EPS (A/B)	(119.37)	(81.81)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**ii. Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPSs as follows: (Amount in Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	(67496.33)	(46257.96)
Earnings used in calculation of basic earnings per share (A)	(67496.33)	(46257.96)
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	56544552	56544552
Basic EPS (A/B)	(119.37)	(81.81)

16. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 “Provisions, Contingent Liabilities and Contingent Assets” (Amount in Rs. in Lakhs)

Particulars	Opening balance as on 01.04.18	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.19
Employee Benefit Obligation	49.41	-	(28.58)	-	-	20.83
Provision for fringe benefit tax	10.70	-	-	(10.70)	-	-
Provision for Income Tax	5527.80	-	-	(24.91)	-	5502.81
Total	5587.91	-	-	-	-	5523.64

17. Contingent Liabilities:

(Rs. Lakhs)

	Particulars	2018-19	2017-18
a	Claims against the company not acknowledged as debts including foreign currency claim towards:	-	-
b	Guarantees excluding financial guarantees	-	-
c	Other money for which the company is contingently liable	-	-
	i. Guarantees issued by banks on behalf of the company		376.51
	ii. Letters of credit opened by the company remaining outstanding	-	-
	iii. Bonds furnished to custom authorities for submission of original documents etc., remaining outstanding		
d	Disputed Income Tax Demand	2224.68	-
e	Disputed TDS demands	36.00	
f	Disputed Sales Tax Demand	174.51	167.69
g	Disputed Service Tax Demand	-	-
h	Disputed Central Excise & Customs Demand	30.98	30.98
i	Others (PF etc. specify nature of demand)	-	-
	Total	2466.17	555.18

18. Accounting Policies under Ind-AS:**i. Significant Accounting Policies****1. Statement of Compliance and basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

2. Application of Indian Accounting Standards (Ind-AS)

All companies (listed or unlisted) having net worth of Rs 5,000 Million or more are required to adopt Ind AS.

All amounts included in the financial statements are reported in of Indian rupees (Rupees in) except number of equity shares and per share data, unless otherwise stated.

3. Use of estimates and judgment

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

4. Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

5. Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

6. Property, Plant and Equipment's

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

7. Intangible Assets

All Intangible Assets are stated at carrying value in accordance with previous GAAP, which is

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they are available for use. Softwares are amortized over its useful life subject to a maximum period of 5 years or over the license period as applicable.

8. Non-Current Assets Held for Sale

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

9. Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Certain items of small value like calculators, wall clock, kitchen utensils etc. whose useful life is very limited are directly charged to revenue in the year of purchase. Cost of mobile handsets is also charged against revenue. The residual value of all the assets is taken as Re 1/-. The useful lives of the assets are taken as under:-

Name of Assets	Useful life as adopted by the company as per Schedule II
A. General Assets	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	10
Vehicles – Car	8
Computers - Servers and networks	6
Computers – End User Devices	3
Lease-hold Land	As per Lease Agreement
Wagon Rakes	As per Agreement / Wagon Investment Scheme
Electrical installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Roads	
Carpeted Roads – RCC	10
Carpeted Roads - Other than RCC	5
Non Carpeted Roads	3
Culverts	30
Buildings	
RCC	60

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Other than RCC	30
Residential Flats (Ready Built)	
RCC	60
Other than RCC	30
Temporary Structure & wooden partition	3
Warehouse / Godown	30
B. Manufacturing Unit's Assets	
Factory Buildings	30
Electronic installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Plant and Machinery	
Single Shift	15
Double Shift	10
Triple Shift	7.5
Plant and Machinery- Wind Energy Generation Plant	22
C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company	5
D. Amortization of Intangible Assets	
Softwares	5 years or License period as applicable

10. Borrowing Costs

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

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

11. Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The method of determination of cost and valuation is as under: Cost of Inventories comprises - of Cost of Purchase, cost of conversion and other costs incurred in bringing them to their present location and condition.

Raw Materials and Work-in-Progress are valued at cost using the Weighted Average cost method.

Goods- produced and purchased are valued at Cost or Net Realizable value whichever is lower.

Excise duty in respect of finished goods awaiting dispatch is included in the valuation of inventory.

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

12. Provisions

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**13. Contingent Liabilities / Assets*****Contingent Liabilities***

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

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

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

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

Contingent Assets

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

14. Leases

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

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

15. Employee benefits

- i. Provision for gratuity, leave encashment/availment and long service benefits i.e. service award, compassionate gratuity and employees' family benefit scheme is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.
- ii. Provision for post-retirement medical benefit is made on defined contribution basis.
- iii. Provident fund contribution is made to Provident Fund Trust on accrual basis.
- iv. Payment of Ex-gratia and Notice pay on Voluntary Retirement are charged to revenue in the year incurred.
- v. Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary.

Short-term employee benefit obligations

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under PLI / PRP Scheme, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

reliably.

16. Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

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

17. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset at the Company.

18. Impairment

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, The Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified,

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in

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profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

19 Earnings per share

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

20 Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

21 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**a) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

e) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost

An entity controlled by the company is considered as a subsidiary of the company.

Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition.

Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

22 Segment Information

The company is principally engaged in single business segment viz., "Power and Telecom Tower", and operates in one geographical segment as per on 'Segment Reporting'. Accordingly no segment reporting has been made by the company.

23 Going Concern

The Group has incurred loss during the year and has negative net worth as at 31March 2019 that may create uncertainties. However various initiatives taken by the company in relation to cost saving, optimising revenue management opportunities and enhance ancillary revenues is expected to result in improved operating performance, there are positive signs where most of the lenders have accepted for a restructuring proposal. Accordingly the financial statements continue to be prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

19. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 26.04.2019.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in lakhs

PARTICULARS	Gross Block			Depreciation			Net Block		
	As on 01.04.2018	Additions	Deletions	As on 31.03.2019	As on 01.04.2018	For the Year	On Deletions	As on 31.03.2019	As on 31.03.2018
A) Tangible Assets									
Land	1,868.84	-	-	1,868.84	-	-	-	1,868.84	1,868.84
Building	3,554.18	-	-	3,554.18	997.88	118.71	-	2,437.59	2,556.30
Plant & Machinery	1,85,235.39	-	154.28	1,85,081.11	42,553.04	9,246.73	77.27	1,33,358.61	1,42,682.35
Workshop Equipments	9.60	-	-	9.60	5.54	0.46	0.01	3.61	4.06
Weighing Machine	11.34	-	-	11.34	8.93	0.54	-	1.87	2.41
Electrical Installations	235.09	-	60.37	174.72	118.49	8.30	21.15	69.08	116.60
Furniture & Fixtures	70.19	-	37.03	33.16	57.88	2.12	36.39	9.55	12.31
Office Equipments	74.74	-	24.19	50.55	30.23	2.45	5.97	23.84	44.51
Vehicles	427.61	-	298.96	128.65	401.22	-	275.45	2.88	26.39
Computers	165.00	-	56.90	108.10	150.26	-	42.16	-	14.74
	1,91,651.98	-	631.73	1,91,020.25	44,323.47	9,379.31	458.40	1,37,775.87	1,47,328.51
Less: Revaluation Reserve	-	-	-	-	-	-	-	-	-
Total of Tangible Assets	1,91,651.98	-	631.73	1,91,020.25	44,323.47	9,379.31	458.40	1,37,775.87	1,47,328.51
B) Intangible Assets									
Computer Software	17.13	-	-	17.13	16.86	-	-	0.27	0.27
Total (A+B)	1,91,669.11	-	631.73	1,91,037.38	44,340.33	9,379.31	458.40	1,37,776.14	1,47,328.78

Notes:

Depreciation is provided on Straight Line Basis applying the rates specified in the Schedule II to the Companies Act, 2013. Depreciation on the revalued fixed assets charged to revaluation reserve.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2019	2018
2.02	Non-Current Loans		
	Loans and Advances to Subsidiaries	-	1,114.79
		-	1,114.79
2.03	Other non-current assets		
	Other Loans & Advances	-	1,095.38
	Total	-	1,095.38
2.04	Inventories		
	(at lower of cost or net realizable value)		
	Raw Materials	54.08	365.51
	Work in Process	-	176.74
	Finished Goods	137.63	588.19
	Stores and Spares	469.97	586.00
	Total	661.68	1,716.44
2.05	Trade Receivables		
a)	Unsecured & Considered Good	40,335.71	1,72,529.32
b)	Doubtful	80,385.87	40,873.70
	Less: Provision for doubtful debts	80,385.87	40,873.70
	Total	40,335.71	1,72,529.32
2.06	Cash and Cash Equivalents		
	Cash on Hand	1.57	5.03
	Bank Balances in Current Accounts	68.18	60.70
	Deposits with banks	-	48.35
		69.75	114.08
2.07	Other Current Assets		
	Advance for Expenses & Others	2.50	57.25
	Advances to Suppliers & Others	23.49	24.99
	Margin Money With Parties	50.59	40.18
	Deposits with Govt Deposit (incl Excise, VAT)	1,063.76	1,266.05
	Total	1,140.34	1,388.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.08 Equity Share Capital

Rupees in lakhs

(i) The authorised, issued, subscribed and fully paid-up share capital				
Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Rs.	No. of shares	Rs.
Authorised:				
Equity shares of ₹10 each with voting rights	79,00,00,000	79,000.00	79,00,00,000	79,000.00
1% Cumulative Redeemable Preference Shares of Rs.100/- each	21,00,00,000	2,10,000.00	21,00,00,000	2,10,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	5,65,44,552	5,654.46	5,65,44,552	5,654.46
1% Cumulative Redeemable Preference Shares of Rs.100/- each	1,26,83,229	126.83	1,26,83,229	126.83

The equity shares of the Company having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend.

Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

(ii) Details of shares held by each share holder holding more than 5% shares				
Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 10 each with voting rights				
Yalamanchili Finance & Trading (P) Ltd	47,67,500	8.43	47,67,500	8.43
Sujana Holdings Limited	1,21,29,629	21.45	1,21,29,629	21.45
Foster Infin & Trading (P) Ltd	50,95,999	9.01	50,95,999	9.01
Total	2,19,93,128	38.89	2,19,93,128	38.89

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares				
Opening balance	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Issued during the year	-	-	-	-
Closing balance	5,65,44,552	5,654.46	5,65,44,552	5,654.46

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2019	2018
2.09	Non-Current Borrowings		
	Secured		
a)	Term Loans from Banks (Refer to Note 1)		
i)	Term Loan from Banks	-	-
ii)	From other Parts	-	7,784.77
		-	7,784.77
	Un-Secured		
	Promoters Contribution as per CDR Schedule	11,805.89	13,336.54
	Unsecured Loan Others	2,026.27	3,252.58
	Deferred sales tax liability	304.67	304.67
	Loans from Promoters and Promoter Group Companies	-	16,500.00
		14,136.83	33,393.79
	Total	14,136.83	41,178.56
2.10	Provisions		
	Non-current		
	Employee Benefit obligation	27.81	204.27
		27.81	204.27
	Current		
	Other Provisions		
	Employee Benefit obligation	20.83	49.41
	Dividends & Dividend Tax on CRPS	14.48	16.64
	Provision for Fringe Benefit Tax	-	10.70
	Provision for Income Tax	5,502.89	5,527.80
		5,538.20	5,604.55
	Total	5,566.01	5,808.82
2.11	Deferred Tax Liability / (Asset) (Net)		
	Opening Balance	16,708.17	14,426.19
	Add: Deferred Tax Assets in relation to		
(i)	Difference in depreciation & amortisation for accounting and income tax purposes	1,555.43	2,348.81
(ii)	Provision for employee benefits	(12.59)	(66.83)
(iii)	Disallowance under Section 43B of Income Tax Act, 1961	-	-
	Deferred Tax Liability / (Asset) (Net)	18,251.01	16,708.17
	Other Long-Term Liabilities		
-	Payable to Subsidiaries	-	-
-	Payable to Others	-	-
	Total	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2019	2018
2.12	Current Borrowings		
	Secured		
	From Consortium Banks	1,31,075.82	1,31,075.82
	From Other Banks	-	-
	Un-Secured		
	Deposits	-	-
	Total	<u>1,31,075.82</u>	<u>1,31,075.82</u>
2.13	Trade Payables		
	i) Acceptance (Refer to Note 1 & 2)	-	-
	ii) Trade Payables	997.81	48,015.93
	Total	<u>997.81</u>	<u>48,015.93</u>
2.14	Other Financial Liabilities		
	Current Maturities of Long Term Debt (Secured)	88,463.79	88,463.79
	Vehicle Loans	-	-
	Term Loans	12,085.20	8,711.61
	Advances from Customers	-	-
	Statutory Liabilities	78.07	161.00
	Total	<u>1,00,627.06</u>	<u>97,336.40</u>
2.15	Other Current Liabilities		
	Loans and advances from related parties	-	-
	Sundry Creditors for Services & Others	410.04	1,945.12
	Total	<u>410.04</u>	<u>1,945.12</u>
		Year ended	Year ended
		31st March 2019	31st March 2018
2.16	Revenue from Operations		
	From Sale of Products (Gross)		
	- Domestic	4,189.89	7,344.03
	- Exports	-	-
	Total	<u>4,189.89</u>	<u>7,344.03</u>
2.17	Other Income		
	Interest Income	4.47	1.46
	Other Operating Income	0.34	-
	Total	<u>4.81</u>	<u>1.46</u>
2.18 (a)	Cost of Material Consumed		
	Opening Stock of Raw material	365.51	299.51
	Add: Purchases	2,824.63	5,216.61
		<u>3,190.14</u>	<u>5,516.12</u>
	Less: Closing Stock	54.08	365.51
	Total	<u>3,136.06</u>	<u>5,150.61</u>

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Purchases of Stock-in-Trade			
	Opening stock	-	-
	Add: Purchases	-	846.69
	Add (Less:;) Raw material received (transferred)	-	-
		-	846.69
	Less: Closing stock	-	-
	Stock-in-Trade materials consumed	-	846.69
2.19	Changes in Inventories		
	a) Opening Stock		
	Finished Goods	588.19	1,038.44
	Work-in-Progress	36.31	180.64
		624.50	1,219.08
	b) Closing Stock		
	Finished Goods	137.63	588.19
	Work-in-Progress	-	36.31
		137.63	624.50
	(Increase) / Decrease (a - b)	486.87	594.58
2.20	Employee Benefits Expense		
	Salaries and Wages	294.98	363.72
	Contribution to Provident and Other Funds	11.14	21.72
	Directors remuneration	-	-
	Total	306.12	385.44
2.21	Finance Costs		
	Interest on working capital loans	-	-
	Interest Expenses on Term Loans	4,105.69	-
	Other borrowing costs	2,727.92	39.29
	Total	6,833.61	39.29
2.22	Other Expenses		
	Consumption of stores, loose tools and spare parts	684.47	557.16
	Power and fuel	151.48	157.31
	Repairs and maintenance:	11.15	4.91
	Rates and taxes, excluding, taxes on income	20.20	7.21
	Insurance	0.15	11.75
	Traveling and conveyance	10.56	24.13
	Communication	0.52	2.45
	Contract labor charges (security charges)	36.33	29.85
	Legal and professional fees	77.88	34.55
	Auditor Remuneration	-	5.00
	Sales promotion and advertisement	1.81	3.12
	Advances Written Off	2,723.14	-
	Loss on Sale of Investments	(140.98)	-
	Loss on Sale of Vehicles	(2.87)	-
	Provision for Bad Debts	46,425.11	34,009.72
	Printing and stationery	4.50	1.52
	Sitting Fees	2.70	1.88
	Miscellaneous expenses	0.07	0.05
	Total	50,006.22	34,850.61

NEUEON TOWERS LIMITED

(Formerly known as Sujana Towers Limited)

Regd. Office: Sy. No. 321, Turkala Khanapur Village, Hatnur Mandal, Sanga Reddy Dist - 502 296.

CIN : L40109TG2006PLC049743

12th Annual General Meeting – Saturday, 14th December, 2019

ATTENDANCE SLIP

I, hereby record my presence at the 12th Annual General Meeting of the Company to be held on Saturday, December 14th 2019 at Sy.No. 321, Turkala Khanapur Village, Hatnur Mandal, Sangareddy Dist-502296. at 04.00 P.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:.....

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

EVEN	User ID	Password
112638		

NEUEON TOWERS LIMITED

(Formerly known as Sujana Towers Limited)

Regd. Office: Sy. No. 321, Turkala Khanapur Village, Hatnur Mandal , Sanga Reddy Dist - 502 296.

CIN : L40109TG2006PLC049743

PROXY FORM

12th Annual General Meeting – Saturday, 14th December, 2019

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 12th Annual General Meeting of the Company, to be held on the Saturday, December 14th, 2019 at 04.00 PM at Sy.No.321, Turkala Khanapur Village, Hatnur Mandal, Sangareddy Dist-502296.and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements for the year ended 31st March, 2019.
2.	Re-appointment of Shri G. Srinivasa Raju, who retires by rotation.
Special Business	
3.	Ratification of remuneration of the Cost Auditor of the Company.

Signed this day of December 2019.

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1 Revenue Stamp

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 12th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

Form No. MGT-12

POLLING PAPER

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

Name of the Company : Neueon Towers Limited
CIN : L40109TG2006PLC049743

BALLOT PAPER

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

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

Item No.	Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business				
1.	Adoption of the standalone and consolidate financial statements of the Company for the financial year ended 31st March, 2019.			
2.	Re-appointment of Shri G. Srinivasa Raju, who retires by rotation.			
Special Business				
3.	Ratification of remuneration of the Cost Auditor of the Company.			

Place:

Date:

(Signature of the shareholder)

INSTRUCTIONS

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

INTENTIONALLY KEPT BLANK