



# 24<sup>th</sup>

## ANNUAL REPORT

2012 - 2013

**SUJANA UNIVERSAL INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

<i>CHAIRMAN</i>	:	SHRI Y.S. CHOWDARY
<i>MANAGING DIRECTOR</i>	:	SHRI G. SRINIVASA RAJU
<i>DIRECTORS</i>	:	SHRI S. HANUMANTHA RAO SHRI J. RAMAKRISHNAN * DR. K. SRINIVASA RAO* SHRI ASHOK KUMAR DE* *INDEPENDENT, NON-EXECUTIVE DIRECTORS

<b>MANAGEMENT COMMITTEE</b>	:	SHRI Y.S. CHOWDARY SHRI G. SRINIVASA RAJU SHRI J. RAMAKRISHNAN
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<b>AUDIT COMMITTEE</b>	:	DR. K. SRINIVASA RAO SHRI S. HANUMANTHA RAO SHRI J. RAMAKRISHNAN SHRI ASHOK KUMAR DE
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<b>SHARE TRANSFER COMMITTEE</b>	:	SHRI Y.S. CHOWDARY SHRI G. SRINIVASA RAJU SHRI J. RAMAKRISHNAN
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<b>SHAREHOLDERS' GRIEVANCES COMMITTEE</b>	:	SHRI Y.S. CHOWDARY SHRI G. SRINIVASA RAJU SHRI J. RAMAKRISHNAN
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<b>REMUNERATION COMMITTEE</b>	:	SHRI S. HANUMANTHA RAO DR. K. SRINIVASA RAO SHRI J. RAMAKRISHNAN
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<b>CHIEF FINANCIAL OFFICER</b>	:	DR. B. BRAHMAIAH
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<b>COMPANY SECRETARY</b>	:	SHRI M. NARESH KUMAR
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<b>AUDITORS</b>	:	M/S T. RAGHAVENDRA & ASSOCIATES CHARTERED ACCOUNTANTS NO.22, KRISHNA APARTMENTS 5TH FLOOR, TILAK ROAD, ABIDS HYDERABAD 500 001
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<b>COST AUDITORS</b>	:	M/S B.V.R & ASSOCIATES COST ACCOUNTANTS, HYDERABAD
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<b>BANKERS</b>	:	BANK OF BARODA BANK OF INDIA CENTRAL BANK OF INDIA IDBI BANK LIMITED INDIAN OVERSEAS BANK ORIENTAL BANK OF COMMERCE UCO BANK
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## SUJANA UNIVERSAL INDUSTRIES LIMITED

**REGISTERED OFFICE  
& CORPORATE OFFICE** : PLOT NO. 41  
NAGARJUNA HILLS, PANJAGUTTA  
HYDERABAD, ANDHRA PRADESH 500 082  
WEBSITE: WWW.SUJANA.COM

### WORKS

**- LEC DIVISION** : PLOT NOs. 10, 11 & 12  
SURVEY NO. 172  
BOLLARAM VILLAGE  
JINNARAM MANDAL, MEDAK DIST  
ANDHRA PRADESH.

**- DOMESTIC APPLIANCES  
DIVISION** : PLOT NO. 1B, SURVEY NO. 308  
SRI VENKATESWARA CO-OPERATIVE  
INDUSTRIAL ESTATE, JEEDIMETLA  
HYDERABAD-500 055

**- STEEL PRODUCTS DIVISION** : PLOT NO.128/A  
I.D.A.BOLLARAM  
JINNARAM MANDAL, MEDAK DIST  
ANDHRA PRADESH

**- INFRASTRUCTURE DIVISION** : PLOT NO.41, NAGARJUNA HILLS  
PANJAGUTTA, HYDERABAD – 500 082

### LISTING

: **EQUITY**  
**BOMBAY STOCK EXCHANGE LIMITED (BSE)**  
PHIROZE JEEJEEBHOY TOWERS  
DALAL STREET, MUMBAI - 400 001  
**NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)**  
5TH FLOOR, EXCHANGE PLAZA  
BANDRA (E), MUMBAI - 400 051  
**GLOBAL DEPOSITORY RECEIPTS (GDRS)**  
**LUXEMBOURG STOCK EXCHANGE**  
SOCIETE DE LA BOURSE DE LUXEMBOURG SOCIETE  
ANONYME, RC LUXEMBOURG - B 6222

### REGISTRAR & SHARE TRANSFER AGENTS

: 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 Twenty Fourth Annual General Meeting of the Members of the Company will be held on Monday, the 30th day of September, 2013 at Hotel Sitara Residency, Beside Chandana Brothers, Ameerpet, Hyderabad - 500 016, Andhra Pradesh at 10.00 A.M. to transact the following business.**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit and Loss for the year ended 31st March, 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri J. Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. Hanumantha Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors M/s T. Raghavendra & Associates (Membership No. 023806), Chartered Accountants, Hyderabad are eligible for re-appointment.

### SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force, if necessary and in terms of the recommendation of the Remuneration

Committee and as approved by Board of Directors, approval of the Members of the Company be and hereby accorded to enhance the remuneration of Shri G. Srinivasa Raju, Managing Director of the Company from Rs. 20,50,000/- (Rupees Twenty Lakhs Fifty Thousand Only) per annum to Rs.48,00,000/- (Forty Eight Lakhs Only) per annum (including perquisites except car and telephone provided by the Company) with effect from 01st April, 2013 payable on monthly basis, until otherwise decided."

"RESOLVED FURTHER THAT notwithstanding anything contained herein above, where, during the term of employment of the Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Managing Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary steps for the aforesaid purpose and matters incidental thereto."

"RESOLVED FURTHER THAT Shri M. Naresh Kumar, Company Secretary of the Company, be and is hereby authorized to file the necessary e-forms with the Registrar of Companies, Andhra Pradesh, Hyderabad and to take all necessary steps in this regard."

6. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution through Postal Ballot:**

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable



## SUJANA UNIVERSAL INDUSTRIES LIMITED

provisions if any of the Companies Act, 1956, the Board of Directors/Management Committee of the Board of Directors of the Company be and is hereby authorised to transfer by way of slump sale, business sale on "on going concern basis" or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/ Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries present and future or to any other body corporate whether registered in India or elsewhere."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Management Committee be and is hereby authorized to determine the terms and conditions including consideration, mode of transfer and to do all such acts, deeds, matters and things, as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard thereto".

BY ORDER OF THE BOARD

**G. Srinivasa Raju**

Place: Hyderabad

Managing Director

Date: 13th August, 2013

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be duly stamped, signed and deposited at the Company's registered office not less than 48 hours before the time for holding the meeting.

2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. The Share Transfer Books and Register of Members of the Company will remain closed on Thursday 26th September, 2013 (One day only).
4. 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.
5. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection by the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
6. The registration of share transfers and other related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
7. The shareholders / members of the Company, who are having equity shares of the Company in physical form, are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders /members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.

Some of the advantages to the investors who are having the shares in demat mode are:

- a. There is no scope of any risk of loss, theft, damage or fraud and bad deliveries are eliminated;
- b. Shareholders no longer have to wait for the shares transferred in his name. Delay is almost eliminated;
- c. This system totally eliminates risks associated with loss/fraudulent interception of share certificates in postal transit;
- d. In the physical mode, shares may only be sold and bought at marketable lot. No such hassle is experienced in the demat mode;
- e. Genuineness is always guaranteed in the demat mode.

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

8. The relative Explanatory Statements pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 is enclosed.
9. The resolution in Item no.6 is proposed to be passed by the shareholders by way of exercising the voting by them by postal ballot, for which postal ballot form along with instructions and the calendar of events can be found on Page Nos. 93 & 94.
10. The relevant details of directors seeking appointment/re-appointment under Item Nos. 2 and 3 of this notice, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
11. The Ministry of Corporate Affairs (MCA) has taken an initiative in respect of 'Green Initiative in the Corporate Governance' by allowing the Companies to send the notices/ documents including annual reports to the members through electronic mode by giving an advance opportunity to the members for registering their e-mail addresses with the Company / Depository from time to time for receiving the same. In this connection, the members are requested to register their e-mail addresses by sending an e-mail with the following details to 'cssuil@sujana.com' or by visiting our website 'www.sujana.com'.

# SUJANA UNIVERSAL INDUSTRIES LIMITED

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956:

### ITEM NO. 5

Keeping in view the valuable services of Shri G. Srinivasa Raju, who was appointed as Managing Director of the Company for a period of 5 (Five) years w.e.f 13th August, 2010, the remuneration enhanced from Rs.20,50,000/- per annum to Rs.48,00,000/- per annum with effect from 01st April, 2013 payable on monthly basis.

During the current financial year, your Company has achieved a net profit of Rs. 340.38 lakhs. In case of inadequacy of profits/losses in any financial year during his tenure as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time subject to the Compliance thereof but in any event shall not exceed the remuneration payable when the profits of the Company are adequate.

In accordance with the provisions of Sections 198, 269 and 309 and Schedule XIII of the Companies Act, 1956, approval of shareholders is required for enhancement of remuneration.

Statement as per Section II, Part II of Schedule XIII of the Companies Act, 1956 is as follows:

### I. GENERAL INFORMATION

#### 1. Nature of Industry:

The Company is in the area of manufacturing of components for automobiles like two wheelers, three wheelers, LCV's, MCV's, Tractors, Material handling, Earth moving, Electrical Industries and General engineering equipments for both equipment manufacturers and the replacement market.

#### 2. Date of commencement of commercial production:

The Company was incorporated on 22nd August, 1986 vide Corporate Identity Number L29309AP1986PLC006714 and has obtained its certificate of commencement of business on 22nd January, 1987.

The Company started producing bearings under the brand name "SUIL bearings" in 1989. Within a short span SUIL bearings earned a reputation for their unsurpassed quality and reliability to both original equipment manufacturers and the replacement market.

#### 3. Financial performance based on given indicators:

Particulars	FY 2012-13 (12 months) (Rs in lakhs)	FY 2011-12 (12 months) (Rs in lakhs)	FY 2009-11 (18 months) (Rs in lakhs)
Total Revenue	3,36,766.44	3,70,418.67	3,89,918.58
Total Expenses	3,36,426.06	3,67,561.88	3,87,198.99
Profit After Tax	340.38	2,856.79	2,719.59

#### 4. Export performance and net foreign exchange collaborations:

Particulars	FY 2012-13 (12 months) (Rs in lakhs)	FY 2011-12 (12 months) (Rs in lakhs)	FY 2009-11 (18 months) (Rs in lakhs)
Export FOB Value	45,651.79	67,731.16	65,934.15
Earnings in Foreign Exchange	45,651.79	67,731.16	65,934.15

#### 5. Foreign investments or collaborators, if any:

Investments in subsidiaries during 2012-13 : Nil

Loans and advances to subsidiaries during 2012-13: Rs.265.29 lakhs

Investment in share capital by Foreign Companies: FII- 3.62%

Foreign Collaborations: None

## II. INFORMATION ABOUT THE APPOINTEE

### 1. Background details:

Mr. G. Srinivasa Raju is a Promoter-Director of Company aged 51 years and holds Bachelor's Degree in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. He also holds a Master Degree in Engineering from Roorke University. He has contributed to the Company with his rich and vast industrial experience, including the management of granite units. His wide exposure to the steel products industry has helped the Company to diversify in many new products and achieve quality and standard products, his knowledge of deep understanding of all the aspects of business administration has help the Company in many ways.

### 2. Past Remuneration:

S. No.	Year	Amount (Per Annum)
01	2005	Rs. 40,000/- p.m. (w.e.f. 29.10.2005)
02	2007	Rs. 55,000/- p.m. (w.e.f. 01.01.2007)
03	2010	Rs. 1,00,000/- p.m. (w.e.f.13.08.2010)
04	2012	Rs. 1,70,833/- p.m. (w.e.f. 10.11.2012)

### 3. Recognition or awards: Nil

### 4. Job profile and his suitability

Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in

the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint venture companies and/or subsidiaries. This includes performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or joint venture companies and/or subsidiaries or any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board of such associated companies and/or joint venture companies and/or subsidiaries, subject to compliance with the applicable provisions of the prevailing laws and regulations.

Shri. G. Srinivasa Raju is a Promoter of the Company and being assigned the role and responsibilities of Managing Director of the Company, with his rich and vast industrial experience in management of granite units, steel production, appliance marketing has helped the company in various ways, his deep understanding of the aspects of business administration has also added advantage to the company for the internal management and control. His wide exposure to the steel products industry has helped the Company to diversify in many new products and achieve new contracts.

Taking into account the value added by Shri. G. Srinivasa Raju to the Company, the Board feels he is the best suitable for the post of Managing Director.

### 5. Remuneration proposed

The remuneration being proposed as approved by the Remuneration Committee of the Company and Board of the Company is Rs.48,00,000/- (Forty Eight Lakhs Only) per annum, inclusive of all perquisites and allowances but excluding car and telephone facility service provided by the Company.



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

Shri G. Srinivasa Raju has held key positions in the Company ever since his appointment as Managing Director in the year 2005. His vast experience in the steel industry has helped the Company strategically, resulting in the Company to expand rapidly and benefit from key opportunities in the Indian and overseas steel industry.

His skill set and his experience places him in a correspondingly equal position to major steel companies in India. Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Shri. G. Srinivasa Raju being one of the promoters of the Company is associated with the Company from its inception and does not hold any stake in the Company.

Apart from himself being promoter and Managing Director along with his spouse and/or children. Shri Raju is not associated with any other member of the Board or other Managerial Persons, further the Company policy determines that he shall not to be associated or shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any business transactions of the Company.

**III. OTHER INFORMATION**

**1. Reason of inadequate profits:**

Your Company has achieved a net profit of Rs. 340.38 lakhs for the financial year ended 31st March 2013. Due to the following reasons the net profit declined as compared to the previous year:

- \* With slowdown in the economy, the credit cycle to customers has been stretched and generally there were delays in realization from debtors resulting in higher interest costs and lower margins.
- \* Power cuts in Andhra Pradesh and Tamil Nadu hampered the production process forcing the Company to buy private power at high cost for most part of the year, the power cut was imposed for three days in a week.
- \* Political unrest in Andhra Pradesh in the form of Telangana agitation badly affected the working of the units in Bollaram and Shadnagar areas.
- \* Increase in cost of borrowing due to increase in interest rates charged by Banks.
- \* Delay in sanction of adequate working capital by Banks. This had severely affected the operations of the Company.

**2. Steps taken or proposed to be taken for improvements:**

The Company has taken various steps for improvements such as, a) introduction of large size bearings with high margin, b) improving the profitability by introducing the cost control mechanism and c) broaden the product base for international trading.

**3. Expected increase in productivity and profits in measureable terms:**

With an unprecedented raise costs and interrupted supplies and power cuts, operations are severely hit. The

Company's operations also hampered during the year. As a result the profit of the Company was declined. The Company is commissioning new tools and techniques to increase the productivity and profits.

None of the Directors of the Company except Shri G. Srinivasa Raju is concerned or interested in the aforesaid resolution.

**ITEM NO. 6 :**

In order to carry on the business of trading in various commodities including steel, steel related products, appliances and LED products, it is contemplated to dispose of the manufacturing facilities of your Company to its subsidiaries and/or any other body corporates. It is now proposed to lease or transfer by way of slump sale, business sale on "on going concern basis" or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/ Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries or to any other body corporate whether registered in India or elsewhere.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia that the Board of Directors of public company shall not, without the consent of the members of the Company, lease or transfer by way of slump sale whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking.

The members are requested to authorise the Board/Management Committee with the

requisite authority under Section 293(1) (a) of the Companies Act, 1956 to lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company.

As per the provisions of the Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 as amended, the approval of the members is required through the Postal Ballot for the aforesaid purpose.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in the aforesaid resolution, except to the extent of their share holding, if any and in terms of their employment with the Company.

## SUJANA UNIVERSAL INDUSTRIES LIMITED

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

(in pursuance of Clause 49 of the Listing Agreements)

Name of Director	S. Hanumantha Rao	Shri J.Ramakrishnan
Date of Birth	18.07.1951	20.08.1936
Date of Appointment	18.07.2005	25.07.1995
Expertise in specific functional areas	Shri S.Hanumantha Rao has been on the Board of Directors of the Company since 18.07.2005. Shri S.Hanumantha Rao did his B.Tech and AICWA and he has worked for more than 20 years in State Bank of India and 3 years as Financial and Management Consultant.	He is an Independent and non-executive director. In August 1994 he was appointed as the Chief Commissioner of Customs and Central Excise, Hyderabad Zone. After his retirement from the Customs & Excise Department, he joined Sujana Group.
Qualifications	B.Tech., A.I.C.W.A. (Associate ICWAI)	Bachelors Degree (Honors) in Science from Madras University.
Directorship held in other public companies (excluding foreign companies)	<ol style="list-style-type: none"> <li>1. Sujana Energy Limited</li> <li>2. Sujana Holdings Limited</li> <li>3. Sujana Metal Products Limited</li> <li>4. Sujana Power (Gangikondan) Limited</li> <li>5. Sujana Power (India) Limited</li> <li>6. Sujana Power (Tuticorin) Limited</li> <li>7. Sujana Projects Limited</li> <li>8. Sujana Towers Limited</li> </ol>	Sujana Metal Products Limited
Membership / Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee) C=Chairman, M=Member	<p>Management Committee:</p> <ol style="list-style-type: none"> <li>1. Sujana Metal Products Limited</li> </ol> <p>Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Sujana Metal Products Limited</li> </ol> <p>Shareholders Grievance Committee:</p> <ol style="list-style-type: none"> <li>1. Sujana Metal Products Limited</li> </ol>	<p>Remuneration Committee:</p> <p>Sujana Metal Products Limited</p>
Shareholdings in the Company	Nil	Nil

## DIRECTORS' REPORT

To the Members,

The Board of Directors hereby presents the 24th Annual Report on the business and operations of your Company along with the standalone and consolidated summary financial statements for the year ended 31st March, 2013.

### Company's Performance:

Your Company has achieved a turnover of Rs. 335,903.96/- lakhs up to 31st March, 2013, as against the turnover of Rs. 369,356.83/- lakhs for the previous year ended 31st March, 2012, the highlights of the financial results are as follows:

Rupees in Lakhs

Particulars	2012-2013	2011-2012
Profit Before Depreciation & Interest	<b>12,235.19</b>	13,091.78
Financial Costs	<b>8,580.62</b>	6,882.83
Depreciation	<b>3,007.99</b>	2,833.75
Profit Before Tax	<b>646.58</b>	3,375.20
Provision for Tax		
- Current Tax	<b>170.00</b>	1,075.00
- Deferred Tax	<b>136.20</b>	(77.67)
- MAT Credit Receivable	-	(478.92)
Profit After Tax	<b>340.38</b>	2,856.79
Balance of profit brought forward from earlier years	<b>22,641.92</b>	19,813.44
Add: Excess Provision for IT written off	<b>737.13</b>	-
Profit available for appropriation	<b>23,719.43</b>	22,670.23
Appropriations:		
Proposed Dividend:		
- Equity	-	-
- Preference	<b>24.36</b>	24.36
- Dividend Tax	<b>3.95</b>	3.95
Balance of Profit	<b>23,691.12</b>	22,641.92

### Operations:

Appliances Division	The total turnover of the Division for the year ended 31st March, 2013 is Rs.171.36 lakhs, which mainly includes the turnover of all varieties of Fans, Fan Components and other products.
Steel Products Division	The total turnover of the Division for the year ended 31st March, 2013 is Rs. 335,732.61 lakhs, which mainly includes the turnover of Casting Division, Processing Division and Trading of Steel products. During the year the export turnover of various products is Rs. 45,651.79 lakhs.
Infrastructure Division	The Company had started Infrastructure Division with a view to undertake construction and developmental activities like integrated residential townships, commercial buildings and specialized design and construction of integrated medical colleges and super speciality hospitals etc., However due to the current account economic slowdown, no works were taken up by this division in this year.

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

### **Subsidiary Companies:**

Your Company has the following Wholly Owned Subsidiaries:

PAC Ventures Pte Limited:	Pac Ventures Pte. Limited, Singapore was incorporated on 11th December, 2006 for carrying on the business of general wholesale trade (including general imports and exports) and its revenue was Rs. 17,524.34 lakhs
Sujana Holdings Limited:	<p>Sujana Holdings Limited, Dubai was incorporated on 4th February, 2007 for carrying on the business of investments and trading and its revenue was Rs. 6,129.87 lakhs.</p> <p>Sujana Holdings Ltd has a subsidiary namely Empire Gulf FZE, Sharjah, UAE.</p>
Nuance Holdings Limited:	<p>Nuance Holdings Limited, Hong Kong was incorporated on 27th August, 2007 for carrying on the business of investments and trading and its revenue was Rs. 10,449.00 lakhs.</p> <p>Nuance Holdings Ltd has a subsidiary namely Selene Holdings Ltd, Mauritius.</p>
Sun Trading Limited:	<p>Sun Trading Limited, Cayman Islands was incorporated on 18th July, 2008 for carrying on the business of general wholesale trade which includes general imports and exports and its revenue was Rs. 26,457.08 lakhs.</p> <p>Sun Trading Ltd has a subsidiary namely Sun global Trading Pte. Ltd, Singapore.</p>
Hestia Holdings Limited:	Hestia Holdings Limited, Mauritius was incorporated on 18th September 2008, however it became a subsidiary of the Company w.e.f. 27th December 2010, with the object of carrying on the business of general trade which includes general imports and exports and its revenue for the period of nine months was Rs. 5,551.95 lakhs.

### **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 211(3C) of the Companies Act. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8th February 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. Accordingly, 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 subsidiary Companies is contained in the report.



**Industrial Relations:**

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

**Directors:**

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Shri J.Ramakrishnan and Shri S. Hanumantha Rao, Directors of the Company, are liable to retire by rotation at the forthcoming Annual General Meeting of the Members of the Company and being eligible, offers themselves for re-appointment.

**Directors' Responsibility Statement:**

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period;
- they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

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

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

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

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

### **Code of Conduct:**

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on Companies website. Board Members and Senior Management personnel have affirmed Compliance with the Code for the financial year 2012-13. A separate declaration to this effect is made out in the Corporate Governance Report.

### **Statutory Auditors:**

The Company's Statutory Auditors, M/s. T. Raghavendra & Associates, Chartered Accountants, Hyderabad will retire at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment.

### **Cash Flow Analysis:**

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31st March 2013 is included in the annual accounts.

### **Cost Auditors:**

M/s. BVR & Associates, Cost Accountants, Hyderabad were re-appointed as Cost Auditors of the Company for the Year 2013-14.

In pursuance of Section 233B of the Companies Act, 1956 read with circular no. 52/26/CAB – 2010 the Company has appointed M/s. BVR & Associates, Cost Accountants, Hyderabad as the Cost Auditors for conducting audit of Cost Accounting Records in respect of domestic appliances manufactured by the Company for the year 2012-13. The approval of the Central Government for the appointment has been received. The Company has reappointed them as Cost Auditors for the financial year 2013- 2014.

Cost accounting records for the year ended 31st March, 2013 were maintained as per the Companies (Cost Audit Report) Rules, 2011. The Cost Auditor shall submit the report along with their observations and suggestions, and Annexure to the Central Government within stipulated time period.

### **Personnel:**

Information required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable since none of the employees are receiving remuneration as mentioned in the said Section.

### **Human Resource Management:**

The key resource for your Company is its employees. Your Company has been able to create a favorable work environment that encourages innovation and meritocracy. The efforts of your Company in the area of employee management and HR practices have been proved effective in Human Resource Management.

### **Listing of Company's Securities:**

Your Company's shares are currently listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai and the Global Depository Receipts are currently listed at the Luxembourg Stock Exchange.

### **Dematerialization of Shares:**

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

### **Dividend:**

As per the terms of issue of Cumulative Redeemable Preference Shares (CRPS) vide letter No. 2587/SASF/

CBO and 5937/SASF/(SUIL) dated 28th June, 2005 and 29th October, 2005 respectively, your Company is required to pay the dividend of Rs. 24.36 Lakhs (Previous year Rs. 24.36 Lakhs) which represents 1% on 24,36,200 Cumulative Redeemable Preference Shares(CRPS) of Rs.100/- each to the holders of Cumulative Redeemable Preference Shares for the year under review. Further your Company also provided a provision of dividend tax to the extent of Rs. 24.36 Lakhs (Previous year Rs. 24.36 Lakhs).

**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.

**Insurance:**

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

**Fixed Deposits:**

The Company has not accepted any fixed deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable.

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

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

**Corporate Governance:**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

**Explanations to any qualifications in Auditors' Report:**

There are no adverse remarks in the Auditors' Report dated 28<sup>th</sup> May, 2013. However the status on the disputed statutory dues is mentioned in Point No. 2.35 of notes to accounts.

**Acknowledgment:**

The Directors thank the Company's employees, customers, vendors, investors and academic institutions for their support.

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

The Directors appreciate and value the contributions made by shareholders for their undaunted faith in the Company.

BY ORDER OF THE BOARD

Place: Hyderabad  
Date: 13th August, 2013

**G. Srinivasa Raju**  
Managing Director

**S. Hanumantha Rao**  
Director

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### Annexure 'A' to the Directors' Report:

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

#### A. CONSERVATION OF ENERGY:

a) Energy conservation	Energy saving measures are being implemented to reduce energy cost per unit of manufacture.
b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.	--NIL--
c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production.	Cost of production will come down and prices will become competitive.
d) Total energy consumption and energy consumption per unit of production.	Details given hereunder in Form A

#### B. TECHNOLOGY ABSORPTION:

e) Efforts made in technology absorption as per Form B.	Details given hereunder in Form B.
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#### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

f) Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company has planned expansion of export markets.
g) Total foreign exchange used and earned.	Earned Rs. 67,731.16 Lakhs Used Rs. 47,472.47 Lakhs

### FORM A (See Rule 2)

#### A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

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

	2012-2013	2011-2012
<b>Units (KWH)</b>	<b>3,07,04,336</b>	3,24,73,943
Total amount (Rs.)	<b>18,08,13,133</b>	13,42,19,172
Rate/units (Rs)	<b>5.89</b>	4.13

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

Electricity (KWH)	9869.71	4266.94
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**FORM-B**

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

1. Specific areas in which R&D carried out by the Company: -Nil-
2. Benefit derived as a result of the above R & D: -Nil-
3. Future plan of Action: Completion of product development action  
Expenditure on R&D: -Nil-

4. Technology Absorption, Adoption and Innovation:

1.	Efforts in brief made towards technology absorption, adoption and innovation	:	Not applicable
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction product development, import substitution.	:	Improvement in sales and margins.
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished.	:	Not applicable
	a) Technology imported		
	b) Year of import		
	c) Has technology been fully absorbed		
	d) If not fully absorbed, areas where this has not taken place, reasons here of and future plans of action.		

BY ORDER OF THE BOARD

Place: Hyderabad  
Date: 13th August, 2013

**G. Srinivasa Raju**  
Managing Director

**S. Hanumantha Rao**  
Director



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

The following Management Discussion and Analysis contains a brief write-up on the industry structure, opportunities and concerns, performance of the Company with respect to the operations and other information.

**Industry structure and developments:**

- \* Your Company's major products are components for automobiles like two wheelers, three wheelers, LCV's, MCV's, and Tractors and for Material handling, Earth moving, Electrical Industries, General engineering equipments and Bearings for both original equipment manufacturers and the replacement market. The major raw material for your Company is Steel and Steel Scrap. As Steel is a cornerstone and the key driver of the world's economy. Steel industry is a vital part of the society. Steel is not a single product. There are more than 3500 different grades of steel with many different physical, chemical, and environmental properties. Approximately 75% of modern steels have been developed in the last 20 years. If the Eiffel Tower were to be rebuilt today, the engineers would only need one third of steel. The Indian steel industry has witnessed steady growth, on the back of various initiatives taken by the Government of India. India has become 4th largest producer of crude steel in the world as against the 8th position in 2003 and is expected to become 2nd largest producer of crude steel in the world by 2015. India continues to maintain its lead position as the world's largest producer of direct reduced iron (DRI) or sponge iron.
- \* The Indian auto component industry's turnover is reported to be US\$ 40.6 billion in 2012-13 and is projected to touch US\$ 115 billion by 2020-21, according to data provided by Automotive Component Manufactures Association (ACMA). The industry is estimated to grow at a compound annual growth rate (CAGR) of 14 per cent during 2013-21. Moreover, the industry's exports were recorded at US\$ 9.3 billion in 2012-13 and are projected to touch US\$ 30 billion by 2020-21, as per ACMA. Further more, the amount of cumulative FDI inflow into the Indian automobile industry during April 2000 to April 2013 was worth US\$ 8.32 million, amounting to 4 per cent of the total FDI inflows (in terms of US\$), as per data published by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce, Government of India.
- \* The Indian engineering industry accounts for 27 per cent of the total factories in industrial sector and represents 63 per cent of the overall foreign collaborations. India, the Asia's third largest economy is globally acknowledged for its low-cost, high-tech frugal innovation technology, according to a World Bank study named 'Unleashing India's Innovations'. Foreign companies are not at all hesitant in outsourcing industrial engineering design tasks to Indian firms in sectors like semiconductors, automotive hybrid technologies, and consumer electronics, besides setting up research and development (R&D) centers in the country. Moreover, India is one of the leading offshore destinations in delivering engineering research and development (ER&D) services with a market share of 22 per cent. The ER&D market in India is projected to grow to US\$ 42 billion by 2020.
- \* Road Ahead: The Indian Governments support to infrastructure development in both rural and urban cities has been creating a significant demand for steel, steel aliened products like various consumer electronics, new applications for automobiles, two wheelers, three wheelers, LCV's, MCV's, and Tractors, Material handling, Earth moving, Electrical Industries, General engineering equipments and Bearings for both original equipment manufacturers and the replacement market. Moreover, with the government's proactive incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile, and power the steel industry in future will grow, as per the RNCOS report. The report also reveals that, steel consumption in India is expected to

grow significantly in coming years as per capita finished steel consumption is far less than its regional counterparts. Moreover, in order to provide accelerated thrust on research and development (R&D), Ministry of Steel is encouraging R&D activities both in public and private steel sectors by providing financial assistance.

### **Opportunities, Strengths and Threats:**

Some of the growth drivers helping the sector to grow are:

#### **\* Demand continues to grow despite economic uncertainty**

Although the global economy remained gloomy towards the end of the review period, it still managed to achieve sustained growth. India continued to be the second fastest growing economy in the world, and the benefits of sustained growth by way of higher disposable incomes, greater media exposure, and increased retail penetration reached the vast middle class of rural and semi-urban markets. Penetration of information technology and the internet into smaller cities and rural areas led to increased exposure to appliances among the vast majority of the population, boosting demand for consumer appliances in these regions.

#### **\* Prices climb due to hikes in taxes and excise duty**

The increase in excise duty and service tax from 10% to 12% in the Union Budget had an immediate impact on end consumers across all demographics. Increased taxes led manufacturers to hike the prices of their appliances, passing the additional costs onto consumers. This response from manufacturers was also to offset the impact of a depreciating rupee and rising input costs. Inflation in petroleum products and freight charges added to the costs. However, despite the hike in prices, volume sales managed to maintain stable growth throughout the review period.

#### **\* Strong future demand expected for consumer appliances**

The global economic turbulence that characterised the review period is expected to ease off by 2020. The Indian economy performed well even under economic duress and conditions improved alongside a recovering global economy. India registered a robust economic growth rate of 5% in the financial year 2012-13 and demand for consumer appliances would continue to surge further. Price pressures due to high inflation, fuel costs, a weakening rupee and rising input prices, will remain major concerns for manufacturers. The steady economic growth will continue to provide consumers with higher disposable income and benefit those seeking to upgrade their lifestyles.

#### **\* Raw Materials are easily available**

India's steel sector has a competitive advantage vis-à-vis the availability of raw materials and workforce, both skilled and unskilled. Iron ore and coal constitute the primary raw material for steel production. The country is endowed with large reserves of iron ore, with Orissa, Jharkhand and Chhattisgarh featuring among its iron-ore rich states. India has also a strong workforce base, with about 40 per cent of the country's population constituting its labour force.

#### **\* Automobile sector regaining demand**

India is the world's second largest manufacturer of two wheelers and fifth largest manufacturer of commercial vehicles. The automobile sector in India started witnessed a steep recovery in 2009-10 and the demand for the appliances of two wheelers, three wheelers, LCV's, MCV's, Tractors, Material handling, Earth moving, Electrical Industries and General engineering equipments is expected to register strong growth in both the domestic market and export segments. The production of passenger and commercial vehicles is expected to reach 4.9 million, and the production of two and three wheeler segments is expected to reach 36.5 million by 2016, further driving the demand for the flat steel segment.

## SUJANA UNIVERSAL INDUSTRIES LIMITED

Your Company is exposed to the normal Industry Risk Factors and manages these risks by prudent business and risk management practices. The Company has been taking continuous modernization programmes to maintain efficient operation of its steel and engineering activities. The Company has made efforts to mitigate risk by enhancing the steel quality, reduce energy consumption and emissions and improving productivity.

Your Company has taken up extensive development activity of value added products to improve the margins by achieving higher volume of sales. The efforts of the Company are expected to yield favorable results.

### Internal control systems and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. Depending on the changing requirements the internal audit department is strengthened. The Company has implemented corporate governance requirement and the audit committee periodically reviews the systems and procedures of the Company.

These procedures are designed to ensure that:

- \* All assets and resources are acquired economically, used efficiently and are adequately protected;
- \* Significant financial, managerial and operating information is accurate, reliable and is provided timely; and
- \* All internal policies and statutory guidelines are complied with.

The effectiveness of internal control is continuously monitored by the Audit Committee of the Company. The Company has an Audit Committee which regularly reviews the reports submitted. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Committee also met the Company's Statutory Auditors to ascertain their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee observations are acted upon by the Management. The Company has implemented the corporate governance requirements and the Audit Committee periodically reviews the systems and procedures of the Company.

### Highlights of the Financial Results:

#### Financial Performance:

##### \* Share Capital:

At present, we have two classes of shares

- ★ Equity shares of face value of Rs. 10/-each and Cumulative Redeemable Preference Shares of Rs. 100/- each.
- ★ As on the date of this report, the Authorized Share Capital of the Company is Rs. 20,000 lakhs.
- ★ There is no Movement of the paid-capital during the financial year from 01st April, 2012 to 31st March, 2013.

##### \* Reserves & Surplus:

In 2012-13 year, the reserves stand at Rs. 44,043.16 lakhs against Rs. 42,997.44 lakhs in 2011-12. The increases in reserves are Rs 1,045.72 lakhs. The increase in reserves is on account of profit for the year and written off of excess income tax provision made in earlier year

##### \* Long Term Borrowings:

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Long Term Borrowings	19,111.02	17,057.00	2,054.02	12

Long term borrowings are decreased by Rs 2,057.02 lakhs

\* **Short Term Borrowings:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Short Term Borrowings	35,686.95	33,781.25	1,905.70	6

Short term borrowings increased by Rs. 1,905.70

\* **Net Worth:**

The net worth of the Company as on 31st March, 2013 is Rs. 64,351.04 lakhs against Rs. 63,165.64 lakhs in 2011-12. The increase in the Net worth is about Rs. 1,185.40 lakhs when compared to net worth at the end of previous financial year.

\* **Fixed Assets:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Tangible assets (Net)	20,969.06	21,005.99	36.93	0.18
Capital work- in - progress	Nil	Nil	Nil	Nil
<b>Total</b>	<b>20,969.06</b>	<b>21,005.99</b>	<b>36.93</b>	<b>0.18</b>

\* **Non-current Investments:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Non Current Investments	14,367.07	14,367.07	Nil	Nil

\* **Long-term loans and advances:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Long-term loans and advances	2,558.29	10,006.79	7,448.50	74

\* **Short-term loans and advances:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Short-term loans and advances	13,908.62	2,132.85	11,775.77	552

\* **Trade Receivables:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Total Debtors	137,256.92	132,813.52	4,443.40	3
Less: Provision for doubtful debts	Nil	Nil	Nil	Nil
<b>Total</b>	<b>137,256.92</b>	<b>132,813.52</b>	<b>4,443.40</b>	<b>3</b>

\* **Trade Payables:**

Rupees in lakhs

	2012-13	2011-12	Change	Change %
Trade Payables	48,380.63	66,647.11	18,266.48	27

**Operational Performance:**

Your Company has achieved a turnover of Rs. 335,903.96 lakhs and earned a profit before tax of Rs. 646.58 lakhs.

**Segment Wise Performance & Geographical Information:**

The Company primarily engaged in the business of manufacturing steel, castings, bearings and appliances.

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

### **Statutory Compliance:**

Your Company gives priority to comply all of the statutory requirements in time and the management regularly discusses the same with all of the departmental heads. The Company Secretary, as compliance officer, timely ensures compliance of the provisions of the Companies Act, 1956, SEBI Regulations and provisions of Listing Agreements. Compliance Certificates are obtained from various units of the Company and the Board is informed of the same at every Board Meeting.

### **Material developments in Human Resources:**

The development of human resources is a key strategic challenge in order to prepare people for future responsibilities in terms of professional skills as well as business skills. Your company has conducted training programmes to its employees enabling them to improve / upgrade their skills.

The Company recruited fresh engineering graduates, Diploma engineers and fresh Chartered Accountants, experienced executives only for critical positions for which skill sets are not adequate in the existing team.

Silent Revolution continues unabated: Creating tomorrow's leaders through identification and nurture of potential talent. Company has taken numerous initiatives for leadership development.

### **Corporate Social Responsibility:**

Sujana Foundation, the CSR arm of the Sujana Group was established in 2007 to serve the society and community in the sectors of Agriculture, Education, Management, Healthcare, Rural Development, Rural Entrepreneurship and Poverty alleviation. Sujana Group has integrated the real mechanisms of CSR Accountability, Sustainability, Transparency and Responsibility into its core business strategy. Over the years Sujana is sharing its success and resources with those less privileged in society through Community involvement.

### **Cautionary Statement**

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



## REPORT ON CORPORATE GOVERNANCE

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

### I. Brief statement on Company's Philosophy on Code of Governance

Good Corporate Governance, for the Company, does not mean only compliance with various related statutory and regulatory requirements. The Company strongly believes that the spirit of corporate governance goes beyond the statutory form. Sound Corporate Governance is a key driver of sustainable corporate growth and long-term value creation for the stakeholders and protection of their interests. It is the endeavor of the Company to meet the growing aspirations of all stakeholders including shareholders, employees, customers, lenders, business partners and Government. The Company is committed to maintain the highest level of transparency, accountability and equity in its operations.

The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

The heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it. The Board of Directors exercises its fiduciary responsibilities in the widest sense of the term. The Company's disclosures always seek to attain the best practices in the industry.

### II. Board of Directors

#### 1. Composition of the Board of Directors

At present the Company is having a Non Executive Chairman and the number of Independent Directors is more than 50% of the total number of directors on the Board of the Company.

The Current Policy is to have an appropriate mix of executive, non executive and independent directors to maintain the independence of the board and to separate the board functions of governance and management.

Thus, your Company's Board of Directors consists of Six (6) members, out of which one (1) is Managing Director, one (1) is Promoter and Non- Executive Chairman, two (2) of them are Independent and Non- Executive Directors, one (1) is Non- Executive Director and one (1) is Nominee Director.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

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

The names, categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are given below:

## SUJANA UNIVERSAL INDUSTRIES LIMITED

Sl. No.	Name of the Director	Category	Designation	No. of Board Meetings attended	Attendance of each Director at last A.G.M
1.	Shri Y.S. Chowdary	Promoter & Non-Executive Director	Chairman	2	No
2.	Shri G. Srinivasa Raju	Executive Director	Managing Director	2	Yes
3.	Shri J. Ramakrishnan	Independent & Non-Executive Director	Director	4	Yes
4.	Shri S. Hanumantha Rao	Non-Executive Director	Director	4	Yes
5.	Dr. K. Srinivasa Rao	Independent & Non-Executive Director	Director	2	No
6.	Shri Ashok Kumar De	Nominee Director	Director	4	No

Sl. No.	Name of the Director	No. of Directorships in other companies		No. of Committee positions held in other companies	
		No. of Chairmanships	No. of Directorships	No. of Chairmanships	No. of Committee Memberships
1	Shri Y.S. Chowdary	-	12	0	3
2	Shri G. Srinivasa Raju	-	10*	3	6
3	Shri J. Ramakrishnan	-	1	-	1
4	Dr. K. Srinivasa Rao	-	1	2	2
5	Shri S. Hanumantha Rao	-	14*	1	8
6	Shri Ashok Kumar De	-	1	-	1

\* including private limited Companies & Overseas Companies.

### Change in Composition of Board of Directors since the date of last AGM held on 22nd September, 2012:

There is no change in the Composition of the Board of Directors of the Company.

## 2. Board Procedure

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 Board has constituted five Standing Committees, namely Audit Committee, Shareholders/ Investors Grievance Committee, Remuneration Committee, Management Committee and Share Transfer Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

Your Company's Board of Directors meets atleast once a quarter in a year to review the quarterly results and other items on the Agenda and also on the occasion of the Annual Shareholders' Meeting. When necessary, additional meetings were held. Committees of the Board usually meet the same day of the formal Board Meeting or as and when required.

Four(4) Board Meetings were held during the year 2012-13 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

28th May, 2012, 11th August, 2012, 10th November, 2012 and 13th February, 2013.

Board Meetings are usually held at the Corporate Office of the Company. Notices of Board Meetings were sent to the Directors as required under Section 286 of the Companies Act, 1956. Date of Board Meeting was communicated well in advance and the Agenda, explanatory notes were sent in advance to the Directors. The information as required under Annexure IA to Clause 49 was being made available to the Board.

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting. 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.

### **III. Audit Committee**

#### **1. Scope of the Audit Committee**

The main objective of the Audit Committee of your Company is to monitor and effectively supervise the financial reporting process of your Company with a view to provide accurate, timely and proper disclosures. However the scope of activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements entered with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

Reviewing the adequacy of Internal Control Systems and the Internal Audit Reports and their compliance thereof;

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information;
2. Holding periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
3. Reviewing with Management the quarterly and annual financial statements before submission to the Board;
4. Recommending the board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
5. Recommending the appointment and removal of External Auditor, fixation of audit fee and also approval for repayment for any other services;
6. Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
7. Reviewing the findings of any internal investigations by the internal auditors into matters where

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matter to the board;

8. Discussions with external auditors before the audit commences, nature and scope of audit as well as post audit discussions to ascertain any area of concern;
9. Reviewing the financial and risk management policies;
10. To look into the reasons for substantial defaults in the payments to depositors, debenture holders, share holders (incase of non payment of declared dividends) and creditors;
11. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issues, right's issues, preferential issues etc.,) the statement of funds utilized for the purpose other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right's issues and making appropriate recommendation to the board to take up steps in this matter;
12. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - \* Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - \* Changes, if any, in accounting policies and practices and reasons for the same
  - \* Major accounting entries involving estimates based on the exercise of judgment by management
  - \* Significant adjustments made in the financial statements arising out of audit findings
  - \* Compliance with listing and other legal requirements relating to financial statements
  - \* Disclosure of any related party transactions
  - \* Qualifications in the draft audit report
13. Such other matters as may be necessary in course of performing their functions.

## **2. Composition and Procedure of the Audit Committee**

The Audit Committee shall meet atleast 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 atleast two independent directors.

The Audit Committee of your Company comprises Four (4) members, out of which three (3) are independent and non-executive directors and one (1) is non-executive director. Shri S. Hanumantha Rao, a director having financial and accounting knowledge and held Four (4) meetings during the year. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement.

### **Dates of Audit Committee Meetings held:**

28th May, 2012, 11th August, 2012, 10th November, 2012 and 13th February, 2013.

The necessary quorum was presented at the meetings and the details of the same are:

Sl.No.	Name of the Member	Designation	No. of Meetings attended
1.	Dr. K.Srinivasa Rao	Member & Chairman	2
2.	Shri S. Hanumantha Rao	Member	4
3.	Shri J.Ramakrishnan	Member	4
4.	Shri Ashok Kumar De*	Member	4

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

There is no change in the Composition in the members of the Audit Committee of the Board of Directors of the Company, since the date of last AGM held on 22nd September, 2012.

#### IV. Remuneration Committee

##### 1. Scope of the Remuneration Committee

The scope of the Remuneration Committee covers:

- Review the performance of the Managing Director, after considering the Company's performance.
- Recommends to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director.
- Finalize the perquisites package of the Managing Director within the overall ceiling.

##### 2. Composition and other details of the Remuneration Committee

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

**The existing Committee comprises :**

Sl.No.	Name of the Member	Designation
1.	Shri S. Hanumantha Rao	Member & Chairman
2.	Dr. K. Srinivasa Rao	Member
3.	Shri J.Ramakrishnan	Member

There was no change in the composition of Remuneration Committee since the date of last AGM held on 22nd September, 2012. One Remuneration Committee meeting was held on 10th November, 2012.

##### 3. Remuneration Packages paid to Executive Directors during the year

Name	Salary P.A. Rs.	Commission/ Incentives P.A. Rs.	Deferred Benefits (Perquisites) Rs.	Others	Total Rs.
Shri G. Srinivasa Raju	01.04.2012 to 09.11.2012 Rs. 1,00,000/- p.m. 10.11.2012 to 31.03.2013 Rs. 20,50,000/- p.a.	-	-	-	Rs. 15,02,915/-



## SUJANA UNIVERSAL INDUSTRIES LIMITED

### Remuneration Policy:

The Remuneration Committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. 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 Remuneration Committee to the Board.

### Sitting Fee details:

Sl. No	Name of the Director	Sitting fee paid During the year 2012-13
1	Shri J. Ramakrishnan	Rs.80,000/-
2	Dr. K. Srinivasa Rao	Rs.40,000/-
3	Shri Ashok Kumar De (Nominee from IDBI Limited)	Rs. 80,000/-

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

### 4. Shareholding of Directors as on 31st March, 2013

The following table sets out the shareholdings of the Directors in the Company as at 31st March, 2013:

Name of the Director	Designation	No. of Shares held of Rs. 10/- each
Shri Y. S. Chowdary	Chairman	11,59,100
Shri G. Srinivasa Raju	Managing Director	0
Shri S. Hanumantha Rao	Non-Executive Director	0
Shri J. Ramakrishnan	Independent and Non-Executive Director	0
Dr. K. Srinivasa Rao	Independent and Non-Executive Director	0
Shri Ashok Kumar De	IDBI Nominee	0

### V. Shareholders' Grievance Committee

#### 1. Scope of the Shareholder's 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.

#### 2. Constitution and Composition of the Shareholders' Grievance Committee

The Shareholders' Grievance Committee of your Company comprises three (3) members. No Shareholders' Grievance Committee Meeting was held during the financial year 2012-2013 and all the grievances received by the Company from the members of the Company have been resolved by the Share Transfer Committee.

#### 3. The existing Committee consists of three directors. The details of the same are:

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

**4. Name and Designation of the Compliance Officer**

The name and designation of the Compliance Officer of your Company is Shri M. Naresh Kumar, Company Secretary of your Company.

**5. No. of Shareholders Complaints received so far during the year**

<b>Nature of queries/complaints</b>	<b>Received</b>	<b>Resolved</b>	<b>Un resolved</b>
No.of requests for change of Address	5	5	Nil
Advice procedure for name deletion/duplicate	Nil	Nil	Nil
No.of requests for transmission	1	1	Nil
Non receipt of Annual Reports	1	1	Nil
Duplicate Certificate Requests letters	Nil	Nil	Nil
Exchange of share certificates	Nil	Nil	Nil
Non receipt of Demat Rejected Share certificates	Nil	Nil	Nil
Miscellaneous Letters	1	1	Nil
SEBI	1	1	Nil
<b>TOTAL</b>	<b>9</b>	<b>9</b>	<b>Nil</b>

**6. No. of Pending Transfers**

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

**VI. Share Transfer Committee**

The Share Transfer Committee comprises Shri Y. S. Chowdary, Shri G. Srinivasa Raju and Shri J. Ramakrishnan, being Shri G. Srinivasa Raju, Managing Director of your Company, as Chairman of the Committee. The role, terms of reference and the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the Share Transfer Committee met 2 (Two) times.

**VII. Management Committee**

The Management Committee comprises Shri Y. S. Chowdary, Shri G. Srinivasa Raju and Shri J. Ramakrishnan. The role, terms of reference and the authority and powers of the Management Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the Management Committee met 16 (Sixteen) times.

**VIII. Code of Conduct for the prevention of Insider Trading**

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly Amended). The Board Members and Senior Personnel have affirmed the compliance with the Code for the financial year 2012-13.

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### IX. Annual General Body Meetings (AGMs')

Details of Last three AGMS held

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Location	Time
1.	23rd A.G.M.	22nd September, 2012	"Kohinoor" Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500 034	10.00 A.M.
2.	22nd A.G.M	24th September, 2011	"Kohinoor" Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500 034	10.00 A.M.
3.	21st A.G.M.	27th March, 2010	Plot Nos. 10,11 & 12, Survey No.172, Bollaram Village, Jinnaram Mandal, Medak Dist, Andhra Pradesh.	10.00 A.M.

Details of Special Resolutions passed in the last three Annual General Meetings:

S.No	AGM for the year	Details of Special Resolution passed
1.	2011-12	<ol style="list-style-type: none"> <li>To enhance the limits Under Section 372A of the Companies Act, 1956 (through postal ballot and results declared at the AGM).</li> <li>Lease or transfer the whole or substantially whole of the undertaking of the Company under the provisions of Section 293(1)(a) of the Companies Act, 1956 (through postal ballot and results declared at the AGM).</li> <li>Shifting the Registered Office of the Company from the State of Andhra Pradesh to Tamilnadu (through postal ballot and results declared at the AGM).</li> <li>Increasing the Authorised Capital of the Company from Rs. 200 Crores to Rs. 210 Crores.</li> <li>Issue of 10 Lakhs Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each to the promoters and/or non-promoters.</li> </ol>
2.	2009-11	<ol style="list-style-type: none"> <li>Re-appointment of Shri G. Srinivasa Raju as Managing Director of the Company and fixation of his remuneration.</li> <li>To issue equity shares to Non-Promoter Group.</li> <li>To amend the Articles of Association of the Company.</li> </ol>
3.	2008-09	<ol style="list-style-type: none"> <li>Shifting of Registered office</li> <li>To make any loan to and/or to give any guarantee to and/or to provide security under Section 372A of the Companies Act, 1956.</li> <li>To issue equity shares to promoter group.</li> </ol>

Details of special resolutions passed in the last year through postal ballot and details of voting pattern.

**The following resolutions were passed by the members of the Company through postal ballot on 22nd September, 2012. The details are as follows:**

S. No	Details of Resolution passed through postal ballot	Details of voting pattern	Person who conducted the postal ballot exercise
1	To declare the result of postal ballot to enhance the limits Under Section 372A of the Companies Act, 1956.	No.of votes cast in favour of the resolution - 6,08,59,865 No.of votes cast against the resolution – Nil	Shri Y.Ravi Prasada Reddy, Practicing Company Secretary, FCS No. 5783, CP No. 5360.
2	Lease or transfer the whole or substantially whole of the undertaking of the Company under the provisions of Section 293(1)(a) of the Companies Act, 1956.	No.of votes cast in favour of the resolution - 6,08,59,865 No.of votes cast against the resolution – Nil	Shri Y.Ravi Prasada Reddy, Practicing Company Secretary, FCS No. 5783, CP No. 5360.
3	Shifting the Registered Office of the Company from the State of Andhra Pradesh to Tamilnadu.	No.of votes cast in favour of the resolution - 6,08,59,865 No.of votes cast against the resolution – Nil	Shri Y.Ravi Prasada Reddy, Practicing Company Secretary, FCS No. 5783, CP No. 5360.

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

**Details of special resolutions which are proposed to be passed through postal ballot – are as follows:**

- To lease, or transfer by way of slump sale whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956.

Shri Y. Ravi Prasada Reddy, Practicing Company Secretary having certificate of practice number 5360, is appointed as Scrutinizer for conducting the voting through Postal Ballot in a fair and transparent manner.

The calendar of events for the said Postal Ballot is given on Page No. 94.

## **X. Disclosures**

### **1. Materially Significant related party transactions:**

There are no materially significant related party transactions i.e. transactions, material in nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the Company at large except as mentioned in Schedule 18 to the Annual Accounts for the year ended 31st March, 2013.

### **2. Details of Statutory Non-compliances:**

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

The Board has not yet deliberated the matter relating to whistle blower policy. No personnel have been denied access to the Audit Committee.

### **3. Management Discussion and Analysis Report:**

Management Discussion and Analysis Report form part of this Annual Report and is in accordance with the requirements as laid down in Clause 49 of the Listing Agreement with Stock Exchanges.

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### 4. **Clause 49(I)(D): Code of Conduct:**

The Company has adopted a Code of Conduct as required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, which applies to all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed their compliance with the Code on annual basis and their confirmations have been received in this regard. The Code of Conduct has been posted on the Company's website. A separate declaration to this effect signed by the Managing Director is attached.

### 5. **Clause 49(IV)(B): Disclosure of Accounting Treatment:**

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

### 6. **Clause 49(IV)(E):**

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

### 7. **Clause 49(IV)(G): Shareholders Information:**

- a. Appointment/Re-appointment of Directors: The brief resume of Directors retiring by rotation and Whole-time Directors seeking re-appointment, 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.

### 8. **Details of directors seeking re-appointment at the forthcoming AGM:**

- a. **Shri J.Ramakrishnan, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.**

Shri J. Ramakrishnan has been on the Board of directors since 25th July, 1995. Shri J. Ramakrishnan, retired as Principal Collector, Central Excise and Customs Department. He is having over 30 years of experience in Central Excise and Customs Department. Shri J. Ramakrishnan is presently holding the position of Director in Sujana Metal Products Limited.

- b. **Shri S. Hanumantha Rao, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.**

Shri S. Hanumantha Rao has been on the Board of Directors of the Company since 18th July, 2005. Shri S. Hanumantha Rao did his B.Tech and AICWA and he has worked for more than 20 years in State Bank of India and 3 years as Financial and Management Consultant. Shri S. Hanumantha Rao, presently holding the position of Directorship in 14 (Fourteen) other Companies.

### 9. **CEO&CFO Certification:**

Certification by Chief Executive Officer and Chief Financial Officer of the Company as required under Clause 49 of the Listing Agreement is provided at the end of Corporate Governance Report.

### 10. **Risk Management:**

The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the financial year 2013-14.

## 11. Adoption of non mandatory requirements:

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

## XI. Means of Communication:

- Publication of Quarterly Financial Results in daily newspapers and the same will be updated in the Company's Website at [www.sujana.com](http://www.sujana.com).
- Furnishing the Quarterly Financial Results to Stock Exchanges in which Company's shares' are listed.
- Sending Balance Sheet, Statement of Profit and Loss, Directors' Report & Auditors' Report to Shareholders through Post and Email.

### d. Company's Corporate Website

The Company's website is a comprehensive reference on Sujana Universal Industries Limited's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The Section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The Section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.

- NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by NSE for corporate companies. The Shareholding pattern, Corporate Governance Report and Financial Results are also filed electronically on NEAPS.
- BSE Online (Listing.bseindia.com) :** It is a web based application designed by BSE for corporate companies. The Shareholding pattern, Corporate Governance Report and Financial Results are also filed electronically as pdf attachments.
- 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.
- Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

## XII. General Shareholder Information:

### 1. Details pursuant to 24th AGM:

1.	Date	30th September, 2013
2.	Time	10.00 A.M
3.	Venue	Hotel Sitara Residency, Beside Chandana Brothers, Ameerpet, Hyderabad - 500 016.
4.	Financial Year	2012-13 (Consisting of 12 months)
5.	Book Closure Date	Thursday, 26th September, 2013 (one day only)
6.	Dividend Payment Date	Not Applicable

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### 2. Details pursuant to Listing of Securities:

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

#### 1. Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,  
Exchange Plaza,  
Bandra-Kurla Complex,  
Dalal Street, Mumbai 400 001

#### 2. National Stock Exchange of India Ltd

Exchange Plaza, Bandra-Kurla Complex,  
Bandra(E), Mumbai - 400 051.

**Global Depository Receipts (GDRs)** issued by the Company in the International Market have been listed on the Luxembourg Stock Exchange.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial years 2012-13 and 2013-14.

### 3. Stock Code:

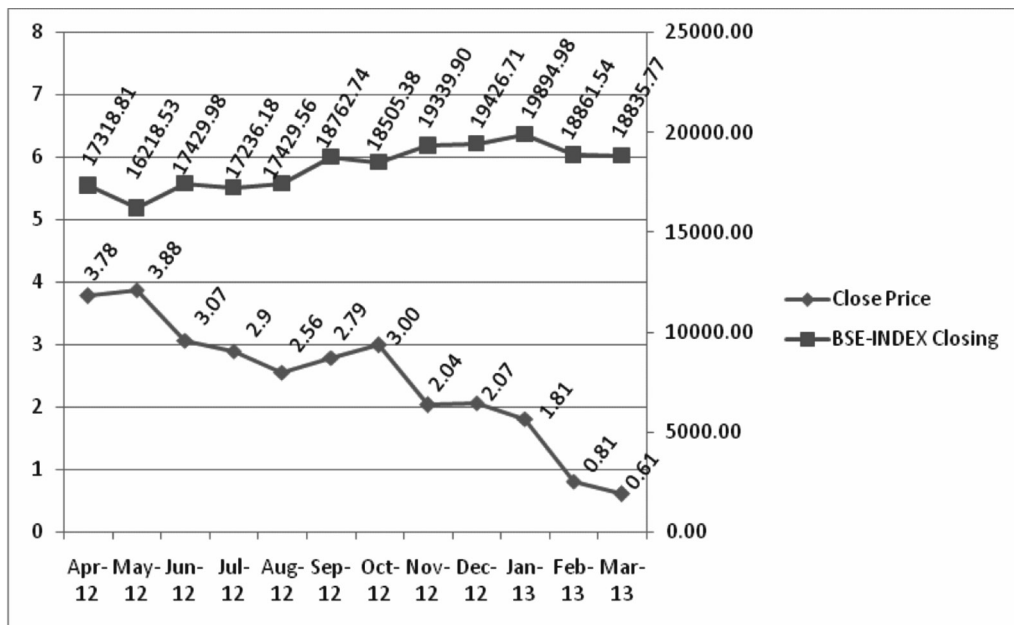
BSE Script Code	:	517224
NSE Script Symbol	:	SUJANAUNI
Luxembourg Stock Exchange (LuxSE) ISIN/Trading Code	:	US86507M1080
Demat ISIN in NSDL and CDSL for equity shares	:	INE216G01011
Corporate Identity Number (CIN)	:	L29309AP1986PLC006714

### 4. Market Price Data:

#### a. BSE

Date	High Price	Low Price	Close Price	No. of Shares Traded	BSE-INDEX Closing
April-12	4.55	3.73	3.78	3,67,205	17318.81
May-12	4.40	3.11	3.88	5,99,792	16218.53
June-12	4.10	2.96	3.07	21,07,449	17429.98
July-12	3.65	2.72	2.90	18,12,117	17236.18
August-12	3.50	2.46	2.56	13,68,514	17429.56
September-12	2.95	2.45	2.79	18,74,582	18762.74
October-12	3.39	2.63	3.00	35,08,797	18505.38
November-12	3.10	1.97	2.04	2,20,00,368	19339.90
December-12	2.22	1.61	2.07	89,50,061	19426.71
January-13	2.32	1.79	1.81	25,18,299	19894.98
February-13	2.05	0.81	0.81	176,48,053	18861.54
March-13	0.87	0.58	0.61	1,11,82,044	18835.77

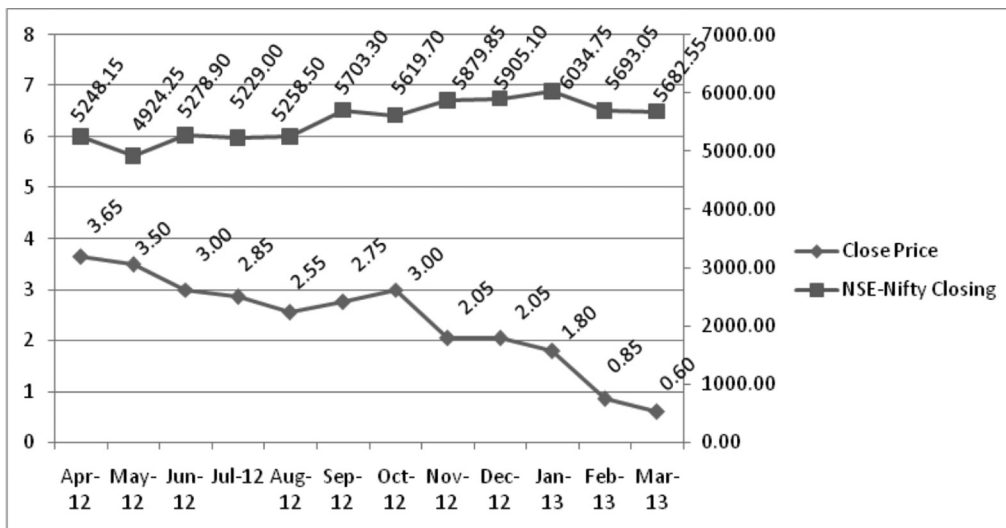




#### b. NSE

Date	High Price	Low Price	Close Price	No. of Shares Traded	NSE-Nifty Closing
April-12	4.50	3.55	3.65	3,87,274	5248.15
May-12	4.65	3.05	3.50	8,00,253	4924.25
June-12	4.20	2.95	3.00	27,53,876	5278.90
July-12	3.50	2.65	2.85	22,90,386	5229.00
August-12	3.75	2.35	2.55	10,94,397	5258.50
September-12	3.00	2.45	2.75	17,02,086	5703.30
October-12	3.40	2.65	3.00	29,66,579	5619.70
November-12	3.15	1.95	2.05	1,66,14,232	5879.85
December-12	2.25	1.60	2.05	77,22,719	5905.10
January-13	2.30	1.75	1.80	19,16,089	6034.75
February-13	2.05	0.85	0.85	1,23,72,721	5693.05
March-13	0.90	0.50	0.60	2,19,20,068	5682.55

## SUJANA UNIVERSAL INDUSTRIES LIMITED



### 5. 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 12 days from the date of receipt, subject to the documents being valid and complete in all respects.

### 6. Dematerialization of Shares:

99.13 % of the Company's Paid - up capital has been dematerialized upto 31st March, 2013. The details are as follows:

Particulars	Number of Shares	% of share capital
NSDL	9,08,40,116	45.33
CDSL	7,65,26,970	53.80
Physical	14,73,986	0.87
Total	16,88,41,072	100.00

### 7. Distribution of Shareholding:

As on 31st March, 2013 the Distribution of Shareholding was as follows:

Range (Rs.)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 5,000	3920523	2.32	17041	62.73
5,001 - 10,000	3591797	2.13	3997	14.71
10,001 - 20,000	3616545	2.14	2161	7.95
20,001 - 30,000	2489213	1.47	934	3.44
30,001 - 40,000	1678081	0.99	456	1.68
40,001 - 50,000	2785369	1.65	574	2.11
50,001 - 1,00,000	6700498	3.97	851	3.13
1,00,001 and above	144059046	85.33	1151	4.25
Total	168841072	100	27165	100

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

As on the date of this report, 45,00,000 equity shares underlying 4,50,000 Global Depository Receipts (GDRs) are outstanding for conversion.

## 9. Reconciliation of Share Capital Audit Report:

SEBI has vide its circular no: CIR/MRD/DP/30/2010 dated: 06th September, 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.

## 10. Shareholding pattern as on 31st March, 2013:

S. No	Category	No. of Share Holders	No. of Shares	% to Equity
1	Promoters and their Relatives	3	44898335	26.59
2	Bodies Corporate	504	17599353	10.42
3	Public	26653	77699404	46.02
4	Foreign Bodies Corporate	1	5787027	3.43
5	Financial Institutions/banks	3	11356953	6.73
6	Custodians against Depository receipts	1	11500000	6.81
	Total	27165	168841072	100.00

## 11. Plant Locations:

1.	LEC Division	Plot Nos. 10, 11 & 12, Survey No. 172, Bollaram Village, Jinnaram Mandal, Medak District, Andhra Pradesh.
2.	Domestic Appliances Division	Plot No.1B, Survey No. 308, Sri Venkateswara Co-operative Industrial Estate, Jeedimetla, Hyderabad – 500 055, Andhra Pradesh.
3.	Steel Products Division	Plot Nos. 128/A, Bollaram Village, Jinnaram Mandal, Medak District, Andhra Pradesh.
4.	Infrastructure Division	No.41, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082, Andhra Pradesh.

## 12. Address for Correspondence:

### Registered & Corporate Office:

Plot No. 41, Nagarjuna Hills, Panjagutta,  
Hyderabad – 500 082, Andhra Pradesh.

Email: info.suil@sujana.com

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

### **Secretarial Department:**

Plot No. 41, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

Ph: 23351882, 23351887

Email: cssuil@sujana.com

### **Registrars and Share Transfer Agents:**

Bigshare Services Private Limited,

306, Right Wing, 3rd Floor, Amruta Ville,

Opp: Yashoda Hospital, Raj Bhavan Road,

Somajiguda, Hyderabad – 500 082.

Phone No.040-23374967

Email: bsshyd@bigshareonline.com

### **13. Declaration in terms of amended Clause 49(1)(d)(ii) of Listing Agreement.**

It is hereby confirmed that all the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors for the financial year 2012-13.

Place: Hyderabad

Date: 13th August, 2013

**G. Srinivasa Raju**

Managing Director

### CEO & CFO CERTIFICATION

We, G. Srinivasa Raju, Managing Director & Chief Executive Officer and Dr. B. Brahmaiah, Chief Financial Officer, to the best of our knowledge and belief, do hereby certify that

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

Place: Hyderabad

**G. Srinivasa Raju**

**Dr. B. Brahmaiah**

Date: 13th August, 2013

Managing Director & Chief Executive Officer

Chief Financial Officer

Compliance Certificate from Auditors

### Auditors' Certificate on Corporate Governance

To

The Members of Sujana Universal Industries Limited,

We have examined the compliance conditions of Corporate Governance by Sujana Universal Industries Limited, Hyderabad for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

We 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: 13th August, 2013

**for M/s. T. Raghavendra & Associates**

Chartered Accountants

T. Raghavendra

# **SUJANA UNIVERSAL INDUSTRIES LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Sujana Universal Industries Ltd

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sujana Universal Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub- section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For T Raghavendra & Associates**

Chartered Accountants

FRN: 003329S

**T Raghavendra**

Mem. No. 023806

Place: Hyderabad

Date: 28th May 2013



**Annexure referred to in our report of even date on the accounts for the year ended 31st March 2013**

1.
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
  - b. The assets are physically verified, in phases, by the Management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification. In respect of certain class of assets, verification of which is in progress, discrepancies if any noticed, will be dealt with appropriately later.
  - c. The assets disposed off during the period are not substantial and therefore do not affect the going concern status of the company.
2.
  - a. The stock of raw materials, stores, spare parts and finished goods other than in transit have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. In our opinion the company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
  - a. According to the information and explanations given to us, the company has not taken any loans from the companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956.
  - b. According to the information and explanations given to us, the Company has not granted any loans to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
  - c. The Company has not given any loans or advances in the nature of loans.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5.
  - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said register.
  - b. In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 and exceeding during the period by Rupees five lakhs in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed there under.

7. The company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
8. The company has appointed a Cost Auditor to review of the books of account maintained by the Company pursuant to the Rules 209(1)(d) of the Companies Act, 1956 for maintenance of Cost Records and we have taken cognizance of the Cost Auditor's Report.
9.
  - a. According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, customs duty, excise duty, and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable except FBT dues of Rs.9.47 lakhs, Rs.10.22 lakhs and Rs.9.65 lakhs for the years ended 2008-09, 2007-08 and 2006-07 respectively and Dividend Distribution Tax of Rs.3.95 lakhs for the financial year 2011-12 and Income Tax for the year 2010-11 amounting to Rs.78.97 lakhs.
  - b. According to the information and explanations given to us and the records of the company examined by us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows:

Rs. in lakhs

Sales Tax	2,429.93	2007-08 High Court disposed off favourable and remanded the matter to the Assessing Authorities for fresh assessment.
Income Tax	542.35	For F.Y.2005-06 and the matter is pending with CIT Appeals
	247.10	For F.Y.2008-09 and the matter is pending with CIT Appeals
	1,236.30	For F.Y.2009-10 and the matter is pending with CIT Appeals
Customs & Central Excise	769.50	Company has preferred an appeal in the CESTAT
Workman Compensation	1.77	Interim Stay Granted by Hon'ble High Court – as against the Orders passed by the Hon'ble Labour Commissioner.

10. The Company does not have accumulated losses as at 31st March 2013 and it has not incurred any cash losses in the financial year ended on that or in the immediately preceding financial year.
11. According to the information and explanations given to us and the records of the company examined by us, the company has defaulted in repayment of dues to Financial Institution with respect to the Term Loans and the interest overdue and LC's devolved were converted into FITL (Rs. 650.45 lakhs) and WCTL (Rs. 1763.30 lakhs) respectively by the Term Lending Institution with original loan (Rs. 3605.02 lakhs) being rescheduled. The Company has also defaulted in the payment of LC acceptances with Central Bank of India to the tune of Rs. 8939.38 lakhs.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/mutual benefit fund / societies are not applicable to the company.

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

14. As the company is not dealing or trading in shares, securities, debentures and other investments, paragraph (xiv) of the Companies (Auditors Report) Order, 2003 is not applicable to the company for the year.
15. In our opinion and according to the information and explanation given to us, the terms and conditions on which the company has given guarantee for loan taken by other company from bank are not prejudicial to the interest of the company.
16. The company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and an overall examination of the balance sheet of the company, we report that no funds raised on a short-term basis which have been used for long-term investment, and vice versa.
18. The Company has not issued any debentures during the year and therefore paragraph 4(xix) of the Order is not applicable.
19. In our opinion, and according to the information and explanations given to us and as far as we could ascertain no personal expenses have been charged to the revenue account.
20. In our opinion, and according to the information and explanations given to us, the Company is not covered within the definition of Sick Industrial Company as contained in Section 3(I) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. According to the information and explanations given to us there were no damaged goods in the case of goods purchased for re-sale;
22. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For T Raghavendra & Associates**

Chartered Accountants

FRN: 003329S

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28th May 2013

**Balance Sheet as at 31st March, 2013**

Rs. in Lakhs

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2.01	<b>19,320.31</b>	19,320.31
(b) Reserves and Surplus	2.02	<b>44,043.16</b>	42,997.44
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	2.03	<b>19,111.02</b>	17,057.00
(b) Deferred Tax Liabilities (Net)	2.04	<b>3,429.75</b>	3,293.55
(c) Long-Term Provisions	2.05	<b>128.49</b>	119.20
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	2.06	<b>35,686.95</b>	33,781.25
(b) Trade Payables	2.07	<b>48,380.63</b>	66,647.11
(c) Other Current Liabilities	2.08	<b>23,768.36</b>	8,382.22
(d) Short-Term Provisions	2.09	<b>347.53</b>	1,156.62
<b>Total</b>		<b>194,216.20</b>	192,754.70
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible Assets	2.24	<b>20,969.06</b>	21,005.99
(ii) Intangible Assets	2.24	<b>24.63</b>	29.69
(b) Non-Current Investments	2.10	<b>14,367.07</b>	14,367.07
(c) Long Term Loans and Advances	2.11	<b>2,558.29</b>	10,006.79
<b>Current Assets</b>			
(a) Inventories	2.12	<b>4,324.75</b>	4,620.24
(b) Trade Receivables	2.13	<b>137,256.92</b>	132,813.52
(c) Cash and Cash Equivalents	2.14	<b>806.86</b>	7,778.55
(d) Short-Term Loans and Advances	2.15	<b>13,908.62</b>	2,132.85
<b>Total</b>		<b>194,216.20</b>	192,754.70

As per our report of even date

**T Raghavendra & Associates**

Chartered Accountants

FRN:003329S

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28.05.2013

For and on behalf of the Board

**G Srinivasa Raju**

Managing Director

**S Hanumantha Rao**

Director

**M Naresh Kumar**

Company Secretary

Place: Hyderabad

Date: 28.05.2013

# SUJANA UNIVERSAL INDUSTRIES LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2013

Rs. in Lakhs

Particulars	Note No	For year ended 31.03.2013	For the Year ended 31.03.2012
<b>I Revenue</b>			
Revenue from Operations	2.16	<b>335,903.96</b>	369,356.83
Other Income	2.17	<b>862.48</b>	1,061.84
<b>Total Revenue</b>		<b>336,766.44</b>	370,418.67
<b>II Expenses</b>			
Cost of Materials Consumed	2.18	<b>4,774.08</b>	7,714.67
Purchase of Stock-in-Trade		<b>313,866.51</b>	345,712.22
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.19	<b>400.12</b>	74.67
Employee Benefit Expenses	2.20	<b>594.69</b>	567.05
Finance Costs	2.21	<b>8,580.62</b>	6,882.83
Depreciation and Amortization Expenses	2.24	<b>3,007.99</b>	2,833.75
Other Expenses	2.22	<b>4,742.89</b>	3,240.76
<b>Total Expenses</b>		<b>335,966.90</b>	367,025.95
III Profit Before Exceptional Items and Tax (I - II)		<b>799.54</b>	3,392.72
IV Exceptional Items	2.23	<b>152.96</b>	17.52
<b>V Profit Before Tax (III - IV)</b>		<b>646.58</b>	3,375.20
VI Tax Expense:			
Current tax		<b>170.00</b>	1,075.00
Deferred tax		<b>136.20</b>	(77.67)
MAT Credit		-	(478.92)
<b>VII Profit for the Year (V - VI)</b>		<b>340.38</b>	2,856.79
Earnings Per Equity Share of Rs.10 each (Refer Note 2.32)			
Basic		<b>0.19</b>	1.84
Diluted		<b>0.19</b>	1.84

As per our report of even date

**T Raghavendra & Associates**

Chartered Accountants

FRN:003329S

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28.05.2013

For and on behalf of the Board

**G Srinivasa Raju**

Managing Director

**S Hanumantha Rao**

Director

**M Naresh Kumar**

Company Secretary

Place: Hyderabad

Date: 28.05.2013

**Cash Flow Statement for the year ended 31st March, 2013**

Rs.in Lakhs

Particulars	31.03.2013	31.03.2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax as per Profit & Loss Account	<b>646.58</b>	3,375.20
<b>Adjustments for</b>		
Depreciation	<b>3,007.99</b>	2,833.75
Financial Expenses	<b>8,580.62</b>	6,882.83
Interest earned & other income	<b>(862.48)</b>	(1,061.84)
Profit on sale of fixed assets	<b>(8.46)</b>	-
<b>Operating Profit Before Working Capital Changes</b>	<b>11,364.25</b>	12,029.93
<b>Adjustments for</b>		
Decrease in Inventories	<b>295.49</b>	96.55
Increase in Trade Receivables	<b>(4,443.40)</b>	(32,296.52)
Decrease/(Increase) in Long & Short Term Loans & Advances	<b>(4,327.27)</b>	3,031.21
Increase/(Decrease) in Current & Non Current Liabilities	<b>(2,880.34)</b>	4,310.84
Cash Generated from Operations	<b>8.73</b>	(12,827.99)
Exceptional Items	<b>152.96</b>	17.52
<b>Cash from Operating Activities (A)</b>	<b>161.70</b>	(12,810.47)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(5,935.50)</b>	(3,754.61)
Sale proceeds of fixed assets	<b>2,974.02</b>	903.98
Investments made during the year	-	(5,922.99)
Interest Received	<b>448.98</b>	304.86
<b>Cash from Investment Activities (B)</b>	<b>(2,512.50)</b>	(8,468.76)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	2,531.25
Share Premium Received	-	375.00
Increase in Loan Funds	<b>3,959.72</b>	27,700.73
Dividend & Taxes paid	-	(36.54)
Interest & Financial Charges	<b>(8,580.62)</b>	(6,882.84)
<b>Net Cash from financing activities (C)</b>	<b>(4,620.90)</b>	23,687.60
<b>Net Increase in cash and cash equivalent (A+B+C)</b>	<b>(6,971.70)</b>	2,408.37
Opening Cash and Cash Equivalents	<b>7,778.55</b>	5,370.18
<b>Cash and Cash Equivalent as on 31.03.2013</b>	<b>806.86</b>	7,778.55

## Notes:

1. Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statements.
2. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with banks
3. Cash and cash equivalents comprise of restricted cash held in margin money deposits of Rs. 777.16 lakhs

As per our report of even date

**T Raghavendra & Associates**

Chartered Accountants

FRN:003329S

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28.05.2013

For and on behalf of the Board

**G Srinivasa Raju**

Managing Director

**S Hanumantha Rao**

Director

**M Naresh Kumar**

Company Secretary

Place: Hyderabad

Date: 28.05.2013

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **1.01 Basis of Preparation of Financial Statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except interest on margin money deposits in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards (AS) notified under Section 211 (3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian Rupees (Rupees in Lakhs).

### **1.02 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### **1.03 Fixed Assets**

- a) Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price (net of rebates and discounts) and any other directly attributable costs of bringing the assets to working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.
- b) Advances paid towards acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

### **1.04 Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated depreciation.

### **1.05 Depreciation**

- a. Depreciation on fixed assets is provided using the Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life.
- c. Depreciation is calculated on a pro-rata basis from/ upto the date the assets are purchased / sold.

### **1.06 Investments**

- a. Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".
- b. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.
- c. The investments in fully owned subsidiaries are carried out at the cost of acquisition as the same are long term investments.



### 1.07 Revenue Recognition

- a. Revenue is recognized when it is earned and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- b. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.
- c. Sales are net of sales returns and trade discounts. Export turnover includes related export benefits. Excise duty and VAT are recovered is presented as a reduction from Gross turnover.
- d. Interest revenue on fixed deposits is recognized on accrual basis.

### 1.08 Inventories

Inventories are valued at the lower of Cost or Net Realizable Value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is arrived at,

- a. In case of raw materials and other trading products on weighted average cost method.
- b. In case of stores and spares on weighted average cost method.
- c. In case of work in process and finished goods, includes material cost, labour, manufacturing overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sell.

### 1.09 Employee Benefits

- a. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

- b. Post-employed benefits

- i. Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post-employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.
- ii. 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.
- iii. The gratuity benefit obligations recognized in the Balance Sheet represents the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

### 1.10 Foreign Currency Transactions

- a. Foreign currency transactions are recorded in the reporting currency at the exchange rates prevailing on the date of the transaction.
- b. Exchange differences arising on the settlement of monetary items on reporting company's monetary items at rates different from those at which they were initially recorded during the

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

- c. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.
- d. Closing monetary foreign current assets and current liabilities have been re-instated in the reporting currency at the exchange rate prevailing on balance sheet date, in accordance with Accounting Standard 11 on "The Effects of changes in Foreign Exchange Rates" The difference arising on these transactions being charged/revenue to the Statement of Profit and Loss.

### **1.11 Taxes on Income**

- a. Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income".
- b. Taxes comprise both current and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and laws.
- c. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.
- d. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.
- e. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations.
- f. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.
- g. Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

### **1.12 Earnings per Share**

- a. The Company reports basic and diluted Earnings Per Share (EPS/DEPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.
- b. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares from the exercise of convertible share warrants of un-issued share capital, except where the results are anti-dilutive.

### **1.13 Leases**

- a. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after 1st April 2001 are capitalized at the fair value or the present value of minimum lease payments at the inception of the lease, whichever is lower.

- b. Lease income from assets given on operating lease is recognized as income in the statement of Profit & Loss account. Lease payments for assets taken on operating lease are recognized as expense in the Statement of Profit and Loss.

#### **1.14 Segment Reporting**

Disclosure is made as per the requirements of the Standard. Details have furnished under Note No.2.31 of Notes to Accounts.

#### **1.15 Impairment of Assets**

- a. The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.
- b. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the re-assessed recoverable amount subject to a maximum of depreciated historical cost.

#### **1.16 Provision for Doubtful Debts /Advances**

- a. Provision for doubtful debts/ advances is made when there is uncertainty of realization of debts which are long outstanding. All debts which are over and above one year are provided in full unless there is certainty of its recovery.
- b. In addition to the above, provision is also made in respect of dues in respect of which suits are filed. Writing off doubtful debts/advances are made when the un-realisation is established.

#### **1.17 Provisions, Contingent Liabilities and Contingent Assets**

- a. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b. Contingent Liabilities are not recognised but are disclosed in the notes.
- c. Contingent Assets are neither recognised nor disclosed in the financial statements.

#### **1.18 Cash Flow statement**

Cash Flow Statement has been prepared using the "Indirect Method" as per the Accounting Standard 3 on "Cash Flow Statements"

#### **1.19 Borrowing cost**

- a. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.
- b. All other borrowing costs are charged to profit and loss account

#### **1.20 Related party disclosure**

Disclosure is made as per the requirements of the Standard and as per the clarifications issued by the Institute of Chartered Accountants of India

#### **1.21 Interim Financial Reporting**

Quarterly financial results are published in accordance with the requirement of Listing Agreement with Stock Exchanges. The recognition and measurement principle as laid down in the Standard have been followed in the preparation of these results.

# SUJANA UNIVERSAL INDUSTRIES LIMITED

## 2. NOTES TO THE BALANCE SHEET

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>2.01 Share Capital</b>		
<b>a) Authorised Share Capital</b>		
17,50,00,000 Equity Shares of Rs. 10/- each	<b>17,500.00</b>	17,500.00
25,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each	<b>2,500.00</b>	2,500.00
<b>Total</b>	<b>20,000.00</b>	20,000.00
<b>b) Issued, Subscribed &amp; Fully Paid Up Share Capital</b>		
16,88,41,072 Equity Shares of Rs. 10/- each	<b>16,884.11</b>	16,884.11
24,36,200 1% Cumulative Redeemable Preference Shares of Rs.100/- each	<b>2,436.20</b>	2,436.20
<b>Total</b>	<b>19,320.31</b>	19,320.31

### Notes :

- i) The Company has allotted 24,36,200 of 1% Cumulative Redeemable Preference Shares (CRPS) of Rs.100/ each on 1st March 2006 aggregating to Rs.2436.20 lakhs, and redeemable in 12 quarterly installments co-terminus with the principal repayment. Accordingly the repayment of CRPS starts from October 2013 and will be completed by July 2016.

### ii) Reconciliation of the number of shares outstanding at the beginning and end of the reporting period

Particulars	2012-13		2011-12	
	No. of Shares	Amount	No. of Shares	Amount
a) Equity Shares				
Shares Outstanding at the Beginning of the year	168,841,072	16,884.11	138,841,072	13,884.11
Add: Shares Issued During the year	-	-	30,000,000	3,000.00
Less: Shares Redeemed/Bought Back During the year	-	-	-	-
Shares Outstanding at the end of the year	168,841,072	16,884.11	168,841,072	16,884.11
b) Preference Shares				
Shares Outstanding at the Beginning of the Year	2,436,200	2,436.20	2,436,200	2,436.20
Add: Shares Issued During the year	-	-	-	-
Less: Shares Redeemed/Bought Back During the year	-	-	-	-
Shares Outstanding at the end of the year	2,436,200	2,436.20	2,436,200	2,436.20

### iii) Details of shareholders holding more than 5% in the company:

Name of the Shareholder	2012-13		2011-12	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
i) Yalamanchili Finance & Trading Pvt Ltd	30,000,000	18	30,000,000	18
ii) Sujana Finance & Trading Pvt. Ltd	13,739,235	8	17,728,542	11
iii) Sunlight Engineering & Trading Pvt. Ltd	-	-	15,000,000	9
iv) IFCI Ltd	-	-	8,381,226	5

## NOTES TO THE BALANCE SHEET

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>2.02 Reserves and Surplus</b>		
<b>a) Capital Reserves</b>		
Opening Balance	20.00	20.00
	<b>20.00</b>	20.00
<b>b) Securities Premium Reserves</b>		
Opening Balance	18,658.23	18,283.23
Add: Additions During the Year	-	375.00
	<b>18,658.23</b>	18,658.23
<b>c) Revaluation Reserves</b>		
Opening Balance	9.46	12.94
Less: Depreciation on Revalued Assets	3.48	3.48
	<b>5.98</b>	9.46
<b>d) General Reserves</b>		
Opening Balance	1,667.83	1,667.83
	<b>1,667.83</b>	1,667.83
<b>e) Surplus</b>		
Opening Balance	22,641.92	19,813.44
Add: Profit for the year	340.38	2,856.79
Add: Excess Provision for IT written off	737.13	-
	<b>23,719.43</b>	22,670.23
Less: Provision for		
- Proposed Dividend on CRPS	24.36	24.36
- Dividend Distribution Tax	3.95	3.95
	<b>23,691.12</b>	22,641.92
<b>Total (a+b+c+d+e)</b>	<b>44,043.16</b>	42,997.44
<b>2.03 Long-Term Borrowings</b>		
<b>Secured</b>		
Term Loans from Banks (Refer to Note 1)		
i) Term Loan	3,605.02	3,964.75
ii) Working Capital Term Loan	1,763.30	-
iii) Funded Interest Term Loan	650.45	-
	<b>6,018.77</b>	3,964.75
<b>Un-Secured</b>		
Loans from Others (Refer to Note 2)	13,092.25	13,092.25
	<b>13,092.25</b>	13,092.25
<b>Total</b>	<b>19,111.02</b>	17,057.00

## Notes:

- 1) (a) The above term loans are availed from IDBI Bank Ltd.
- (b) The term loan outstanding of Rs.3605.02 lakhs was rescheduled and made payable in 25 monthly installments commencing from July 1, 2014 and ending on July 1, 2016 and carrying interest rate BBR + 650 basic points.

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### NOTES TO THE BALANCE SHEET

- (c) Over due LC's outstanding/devolved were converted into Working Capital Term Loan and repayable in 36 monthly installments commencing from July 1, 2014 and carrying interest rate BBR + 650 basic points.
- (d) The following interests were converted into Funded Interest Term Loan (FITL), which is repayable in 36 monthly installments commencing from July 1, 2014 and carrying interest rate BBR + 650 basic points:
- Interest on term loan fallen due upto 31.03.2013
  - Overdue interest / penal interest on CC fallen due from October 31, 2012 upto 31.03.2013
  - Interest on devolved LCs fallen due up to 31.03.2012
- (e) The above term loans are secured by way of first charge on the entire fixed assets of the Company, both present and future, ranking pari passu with the charges already created in favour of existing term lender and second charge on all the current assets of the Company, both present and future, and further secured by the guarantees of the Promoter Directors, namely Y S Chowdary and G Srinivasa Raju, in their personal capacities and corporate guarantee of M/s Sujana Metal Products Ltd.
- 2) Un-secured loans represents loans availed in the previous year 2011-12 from the Tejdeep Engineering Enterprises Pvt. Ltd and Tejeswini Engineering Pvt. Ltd to meet the working capital requirements.

#### 2.04 Deferred Tax Liability (Net)

Opening Balance	<b>3,293.55</b>	3,371.22
Add: Deferred Tax Assets		
(i) On account of difference between book and income tax depreciation	<b>139.74</b>	(74.41)
(ii) Provision for Gratuity	<b>(2.38)</b>	(1.44)
(iii) Provision for Leave Encashment	<b>(1.16)</b>	(1.82)
Closing Balance	<b>3,429.75</b>	3,293.55

#### 2.05 Other Long-Term Provisions

Provision for Employee Benefits	<b>128.49</b>	119.20
Total	<b>128.49</b>	119.20

#### 2.06 Short-Terms Borrowings

Secured		
From Banks		
- Cash Credits	<b>35,686.95</b>	33,781.25
Total	<b>35,686.95</b>	33,781.25

##### Notes:

Cash Credits of banks are secured by way of pari pasu first charge on the current assets and pari passu second charge on fixed assets both present and future and secured by the personal guarantees of the Promoter Directors, as mentioned above, and further secured by the corporate guarantee of M/s Sujana Metal Products Ltd (SMPL).

#### 2.07 Trade Payables

i) Acceptance	<b>29,690.44</b>	47,146.60
ii) Others	<b>18,690.19</b>	19,500.51
	<b>48,380.63</b>	66,647.11

##### Notes:

Acceptance refers to LC acceptances from banks are secured by way of pari passu first charge on the current assets and pari pasu second charge on fixed assets both present and future and secured by the personal guarantees of the Promoter Directors, as mentioned above and further secured by the corporate guarantee of M/s Sujana Metal Products Ltd. The Company has defaulted in payment of LC acceptance of Central Bank of India, Mumbai amounting to Rs.8939.38 lakhs.

## NOTES TO THE BALANCE SHEET

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>2.08 Other Current Liabilities</b>		
Current Maturities of Long Term Debt		
- Vehicle Loans (Refer to Note)	<b>7.70</b>	53.66
- Others	-	306.62
Other Payables		
- Auditors Fees Payable	<b>28.34</b>	15.17
- Rent Payable	-	3.16
- FBT Payable	<b>29.34</b>	29.34
- CRPS Dividend Payable	<b>24.36</b>	-
- Dividend Distribution Tax Payable	<b>3.95</b>	-
- Income Tax Payable	<b>973.73</b>	840.14
- Sundry Creditors for Services & Others	<b>2,644.37</b>	665.88
- Advances from Customers	<b>17,825.68</b>	2,900.70
- Capital Creditors	<b>2,061.57</b>	3,256.04
- Interest Payable	<b>163.25</b>	308.14
- Cost Audit Fees Payable	<b>6.07</b>	3.37
Total	<b>23,768.36</b>	8,382.22
<b>Notes</b>		
Vehicle loans availed from various banks and secured by way of charge of respective vehicles financed		
<b>2.09 Short-Term Provisions</b>		
For Employee Benefits	<b>116.42</b>	36.77
For Income Tax	<b>170.00</b>	1,075.00
For Statutory Liabilities	<b>32.80</b>	16.54
For Dividends on Cumulative Redeemable Preference Shares	<b>24.36</b>	24.36
For Dividend Distribution Tax	<b>3.95</b>	3.95
Total	<b>347.53</b>	1,156.62
<b>2.10 Non-Current Investments</b>		
Investments in Subsidiary Companies (Unquoted, Non-trade, at cost)		
i) Hestia Holdings Ltd	<b>0.04</b>	0.04
(1 equity share of 100 USD each fully paid up)		
ii) Nuance Holdings Ltd	<b>26.03</b>	26.03
(500,000 equity shares of 1 HKD each fully paid up)		
iii) Pac Ventures Pte Ltd	<b>848.92</b>	848.92
(2,780,000 equity shares of 1 SGD each fully paid up)		
iv) Sujana Holdings Ltd	<b>12,904.92</b>	12,904.92
(1,000,000 equity shares of 100 AED each fully paid up)		
v) Sun Trading Ltd	<b>587.16</b>	587.16
(1,275,000 equity shares of 1 USD each fully paid up)		
	<b>14,367.07</b>	14,367.07



# SUJANA UNIVERSAL INDUSTRIES LIMITED

## NOTES TO THE BALANCE SHEET

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>2.11 Long Term Loans and Advances</b>		
Unsecured & Considered Good		
Deposits with Government Authorities & Others	<b>563.39</b>	710.54
Loans and Advances to Subsidiaries	<b>1,794.90</b>	9,096.25
Other Loans & Advances	<b>200.00</b>	200.00
Total	<b>2,558.29</b>	10,006.79
<b>2.12 Inventories</b>		
(at lower of cost or net realizable value)		
Raw Materials	<b>383.40</b>	296.38
Work in Progress	<b>54.53</b>	72.94
Finished Goods	<b>101.97</b>	189.69
Stock in Trade	<b>3,618.44</b>	3,912.43
Stores and Spares	<b>166.41</b>	148.80
Total	<b>4,324.75</b>	4,620.24
<b>2.13 Trade Receivables</b>		
Unsecured & Considered Good		
Outstanding Less than Six Months	<b>136,742.61</b>	130,177.94
Outstanding More than Six Months	<b>514.31</b>	2,635.58
Total	<b>137,256.92</b>	132,813.52
<b>2.14 Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash on Hand	<b>12.45</b>	21.89
Bank Balances in Current Accounts	<b>17.25</b>	267.89
Margin Money Deposits	<b>777.16</b>	7,488.77
Total	<b>806.86</b>	7,778.55
Notes:		
Margin Money Deposits represents margin money paid for letter of credits issued by the banks		
<b>2.15 Short Term Loans and Advances</b>		
Advance to Staff	<b>18.17</b>	19.35
Advance for Expenses & Others	<b>188.80</b>	95.83
TDS Receivable	<b>47.59</b>	25.86
Pre-paid Expenses	<b>6.65</b>	6.86
VAT Receivable	<b>227.67</b>	63.86
Service Tax Receivable	-	1.96
Advances to Suppliers	<b>12,865.06</b>	1,372.79
Excise Duty Receivable	<b>26.16</b>	46.42
Rental Advance	-	21.00
MAT Credit Receivable	<b>478.92</b>	478.92
Interest Receivable	<b>49.60</b>	-
Total	<b>13,908.62</b>	2,132.85

## NOTES TO STATEMENT OF PROFIT &amp; LOSS

Rs. in Lakhs

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>2.16 Revenue from Operations</b>		
From Sale of Products (Gross)		
- Domestic	291,044.36	302,823.72
- Exports	45,651.79	67,731.16
Less: Excise Duty	(792.19)	(1,198.05)
Total	335,903.96	369,356.83
<b>2.17 Other Income</b>		
Interest Income	448.98	304.86
Other Non-operating Income (net of expenses directly attributable to such income)		
Forex Gain (Net)	-	702.55
Prior Period Items (Net)	177.33	0.41
Miscellaneous Income	236.17	54.02
Total	862.48	1,061.84
<b>2.18 Cost of Material Consumed</b>		
Opening Stock of RM	296.38	287.74
Add: Purchases	4,754.30	7,565.91
Add: Carriage Inward	106.80	157.40
	5,157.48	8,011.05
Closing Stock	383.40	296.38
Total	4,774.08	7,714.67
<b>2.19 Changes in Inventories</b>		
<b>a) Opening Stock</b>		
Stock-in-Trade	3,912.21	4,101.58
Finished Goods	189.91	58.96
Work-in-Progress	72.94	89.19
	4,175.06	4,249.73
<b>b) Closing Stock</b>		
Stock-in-Trade	3,618.44	3,912.21
Finished Goods	101.97	189.91
Work-in-Progress	54.53	72.94
	3,774.94	4,175.06
<b>(Increase) / Decrease ( a - b )</b>	400.12	74.67
<b>2.20 Employee Benefits Expense</b>		
Salaries and Wages	543.38	520.50
Contribution to Provident and Other Funds	27.73	19.12
Staff Welfare Expenses	23.58	27.43
Total	594.69	567.05

# SUJANA UNIVERSAL INDUSTRIES LIMITED

## NOTES TO STATEMENT OF PROFIT & LOSS

Rs. in Lakhs

	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>2.21 Finance Costs</b>		
Interest Expenses	7,021.41	5,047.66
Other Borrowing Costs	1,559.21	1,835.17
Total	8,580.62	6,882.83
<b>2.22 Other Expenses</b>		
Consumption of Stores and Spare Parts (Reference to Note 1)	560.32	677.15
Power and Fuel	1,826.60	1,370.13
Rent	197.84	171.44
Repairs to Buildings	11.12	4.20
Repairs to Machinery	18.45	15.66
Insurance	4.88	9.14
Rates and Taxes, excluding taxes on income	15.65	4.52
Professional & Consultancy Charges	100.42	204.28
Travelling & Conveyance	153.03	126.06
Carriage Outwards	314.19	97.40
Business Development Expenses	41.92	135.25
Cost Audit Fees	3.37	3.37
Postage, Telegrams & Telephone Expenses	30.01	26.33
Printing & Stationery	5.69	21.46
Job Work Expenses	288.61	34.59
Audit Fee		
- Audit Fee	15.73	15.73
- Tax Audit Fee	1.12	1.12
- Others	-	1.43
Office Maintenance	175.78	147.19
Factory Maintenance	8.69	33.44
Foreign Exchange Fluctuations	895.06	-
Miscellaneous expenses	74.41	140.87
Total	4,742.89	3,240.76
Notes :		
<b>1) Consumption of Stores and Spare Parts</b>		
Opening Stock	148.80	179.32
Add: Purchases	577.92	646.63
	726.72	825.95
Closing Stock	166.41	148.80
Total	560.31	677.15
<b>2.23 Exceptional Items</b>	152.96	17.52

### Notes:

During the current year the Sales Tax Authorities completed the Assessments of APGST for 2002-03, 2004-05 and Central Sales Tax (CST) for 2002-03, 2005-06, 2006-07, 2007-08 & 2008-09. As a result of this the Company recognised the liability as per the Assessment Orders.

## NOTES TO STATEMENT OF PROFIT & LOSS

### 2.24 Fixed Assets

Rs. in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions	Deletions	As on 31.03.2013	As on 01.04.2012	For the Period	On Deletions	As on 31.03.2013	As on 31.01.2012
<b>A) Tangible Assets</b>									
Land	81.16	-	-	81.16	-	-	-	81.16	81.16
Buildings	1,182.99	-	-	1,182.99	551.16	39.51	-	592.32	631.83
Plant & Machinery	39,738.00	5,830.38	4,784.13	40,784.25	20,013.54	2,787.78	1,818.11	19,801.04	19,724.46
Electrical Equipment's / Installations	621.25	26.79	-	648.04	427.68	39.37	-	180.99	193.57
Office Equipment's	348.58	2.43	-	351.01	268.63	22.33	-	60.05	79.95
Testing Equipment's	0.10	-	-	0.10	0.10	-	-	-	-
Furniture & Fixtures	100.14	-	-	100.14	63.38	5.46	-	31.30	36.76
Vehicles	476.47	-	-	476.47	218.99	35.91	-	221.57	257.48
Miscellaneous Equipment's	3.52	-	-	3.52	2.72	0.17	-	0.63	0.80
Less: Revaluation Reserve	42,552.21	5,859.60	4,784.13	43,627.68	21,546.20	2,930.53	1,818.11	20,969.06	21,006.01
<b>Total of Tangible Assets</b>	<b>42,552.21</b>	<b>5,859.60</b>	<b>4,784.13</b>	<b>43,627.68</b>	<b>21,546.20</b>	<b>2,927.05</b>	<b>1,818.11</b>	<b>20,969.06</b>	<b>21,006.01</b>
<b>B) Intangible Assets</b>									
ERP / Software	315.54	75.90	-	391.46	285.88	80.94	-	24.63	29.66
Total (A+B)	42,867.75	5,935.50	4,784.13	44,019.14	21,832.08	3,007.99	1,818.11	20,993.69	21,035.67

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### NOTES TO ACCOUNTS – OTHER POINTS

#### 2.25 Disclosure as per Clause 32 of Listing Agreement

- a) Loans and Advances in the nature of Loans given to Subsidiaries;

Name of the Company	Relationship	Amount outstanding As on 31.03.2013 Rs. Lakhs	Maximum amount due at any one time during the year Rs. Lakhs	Investment by the loanee in the shares of parent company No. of Shares
Pac Ventures Pte. Ltd	Subsidiary	---	3,717.51	---
Sun Trading Limited	Subsidiary	6,179.46	6,179.46	---

- b) Loans and advances in the nature of loans to associates by name and amount : Nil
- c) Loans and advances in the nature of loans where there is no repayment schedule or payment beyond seven years or no interest or interest below Section 372A of the Companies Act, 1956 by name and amount : Nil
- d) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount : Nil
- e) Disclosure as applicable to the parent company in the account of subsidiary company
- Pac Ventures Pte Ltd, Singapore – Rs. 4,384.56 Lakhs

#### 2.26 Depreciation

Depreciation is provided on Straight Line Basis applying the rates specified in the Schedule XIV to the Companies Act, 1956. However, depreciation on the amount enhanced over the original cost due to revaluation of some of the fixed assets done during the year 1992-93 has been calculated for the year on the same basis as provided on the original cost and the amount of depreciation arising due to revaluation of fixed assets has been adjusted to revaluation reserve.

#### 2.27 Dues from Directors : Nil

#### 2.28 Related Party Disclosure

The following are the related parties as defined in Accounting Standard 18 notified under the Companies (Accounting Standard) Rules, 2006

List of Related Parties and Relationships:

##### Subsidiaries:

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31st March, 2013
Pac Ventures Pte. Limited	Singapore	100
Sujana Holdings Limited	Dubai	100
Nuance Holdings Limited	Hong Kong	100
Sun Trading Limited	Cayman Island	100
Hestia Holdings Limited	Mauritius	100

**Key Managerial Personnel****Name of the Person**

Mr. Y S Chowdary

Mr. G Srinivasa Raju

Mr. S Hanumantha Rao

**Relationship**

Chairman

Managing Director

Non-Executive Director

**Related Party Transactions**

Rs. in Lakhs

	Particulars	Subsidiaries		On Account of Key Management Personnel	
		2012-13	2011-12	2012-13	2011-12
<b>A</b>	<b>Sales</b>				
	Sujana Metal Products Ltd	-	-	20,844.70	8,702.67
	Sujana Towers Limited	-	-	410.01	155.24
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>21,254.71</b>	<b>8,857.91</b>
<b>B</b>	<b>Purchases</b>				
	Sujana Metal Products Ltd	-	-	1,704.72	3,356.23
	Sujana Towers Limited	-	-	806.64	574.32
	Nuance Holdings Ltd	-	380.19	-	-
	<b>Sub-total</b>	<b>-</b>	<b>380.19</b>	<b>2,511.36</b>	<b>3,755.30</b>
<b>C</b>	<b>Investments</b>				
	Sujana Holdings Ltd	-	5,340.29	-	-
	Sun Trading Ltd	-	582.69	-	-
	<b>Sub-total</b>	<b>-</b>	<b>5,922.98</b>	<b>-</b>	<b>-</b>
<b>D</b>	<b>Other Income</b>				
	Sujana Towers Limited	-	-	1.08	1.17
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>1.08</b>	<b>1.17</b>
<b>E</b>	<b>Other Expenses</b>				
	Sujana Metal Products Ltd	-	-	9.00	9.00
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>9.00</b>	<b>9.00</b>
<b>F</b>	<b>Remuneration</b>				
	Mr. G Srinivasa Raju	-	-	15.54	12.00
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>15.54</b>	<b>12.00</b>
<b>G</b>	<b>Loans &amp; Advances</b>				
	Pac Ventures Pte. Ltd	7,566.63	3,482.57	-	-
	Empire Gulf FZE (Step Down Subsidiary)	-	1,754.10	-	-
	Sun Trading Ltd	265.29	5,417.63		
	Sujana Charitable Trust	-	-	30.53	49.67
	<b>Sub-total</b>	<b>7,831.92</b>	<b>10,654.30</b>	<b>30.53</b>	<b>49.67</b>
<b>H</b>	<b>Corporate Guarantees given</b>				
	Hestia Holdings Ltd (USD )	\$ 10.00	\$ 10.00	-	-
	Selene Holdings Ltd (USD ) (Step Down Subsidiary)	\$ 15.00	\$ 13.00	-	-

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### 2.29 Retirement Benefits

#### Gratuity and Leave Encashment

**Actuarial Valuation Method :** Projected Unit Credit Method

		Gratuity		Leave Encashment	
		2012-13	2011-12	2012-13	2011-12
<b>(i)</b>	<b>Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:</b>				
	Obligations at the beginning of the year	103.32	88.78	27.74	20.68
	Service cost for the year	13.60	12.92	0.97	7.06
	Interest cost	8.80	7.10	2.39	1.65
	Benefits settled/paid	-	(7.83)	(2.45)	(1.75)
	Actuarial (gain) / loss	(14.42)	1.35	0.07	0.10
	Past service cost	-	-	-	-
	Obligations at the end of the year	<b>110.30</b>	102.32	<b>28.72</b>	27.74
<b>(ii)</b>	<b>Change in Plan Assets</b>				
	Plan assets at fair value at the beginning of the year	10.86	6.53	-	-
	By Merger of previous policy	-	7.00	-	-
	Expected return on plan assets	0.98	0.99	-	-
	Actuarial gain / (loss)	-	-	-	-
	Contributions	7.10	-	-	-
	Benefits settled / paid	-	(3.65)	-	-
	Plan assets at fair value at the end of the year	<b>18.94</b>	10.86	-	-
<b>(iii)</b>	<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>				
	Present value of obligation at the end of the year	110.30	102.32	28.72	27.74
	Fair value of the plan assets at the end of the year	18.94	10.86	-	-
	Amount recognised in the Balance Sheet	<b>91.36</b>	91.45	<b>28.72</b>	27.74
<b>(iv)</b>	<b>Expenses recognised in the Statement of Profit &amp; Loss</b>				
	Service cost for the year	13.60	12.92	0.97	7.06
	Interest cost	8.80	7.10	2.39	1.65
	Expected return on plan assets	(0.98)	(0.99)	-	-
	Actuarial (gain) / loss	(14.42)	1.35	0.07	0.10
	Past service cost	-	-	-	-
	Net Cost	<b>7.00</b>	20.38	<b>3.43</b>	8.81
<b>(v)</b>	<b>Assumptions</b>				
	Discount rate (Note 1)	8.20%	8.60%	8.20%	8.60%
	Estimated rate of return on plan assets (Note 2)	9.00%	8.00%	0.00%	0.00%
	Rate of escalation in salary per annum (Note 3)	6.00%	6.00%	6.00%	6.00%
	Expected average remaining working live of employees	17 years	18 years	17 years	18 years
	Retirement age	58 years	58 years	58 years	58 years

**Notes:**

1. The discount rate is based on the prevailing market yield on Government Bonds as at the balance sheet date for the estimated terms of obligations
2. a) In the case of Gratuity, the expected rate of return was assumed to be 9% per annum since the fund has earned interest at this rate as per the certificate issued by Life Insurance Corporation of India Ltd (LIC)
- b) In the case of Leave Encashment, the expected rate of return assumed to be 0% since there is no fund except provision.
3. Salary increase rate of 6% per annum has been assumed keeping in view of the inflation rate on long term basis.

**2.30 Auditors Remuneration**

Rs. in Lakhs

<b>Auditors' Remuneration (Excluding Service Tax)</b>		
Particulars	<b>31.03.2013</b>	31.03.2012
Audit Fees	<b>14.00</b>	14.00
Tax Audit Fee	<b>1.00</b>	1.00
Others	-	1.30
<b>Total</b>	<b>15.00</b>	16.30

**2.31 Segment Reporting**

The Company has identified three reportable segments viz. LEC Division, Appliance Division, Steel Division. Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un-allocable".
- b) Segment assets and liabilities represent net assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".

<b>(i) Primary Business Segment Information</b>									Rs. in Lakhs	
Particulars	Business Segments						Eliminations		Total	
	LEC		Appliance		Steel					
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>A Revenue</b>										
a) External	-	-	171.36	285.63	3,35,732.61	3,69,071.20	-	-	3,35,903.97	369,356.83
b) Internal	-	-	-	-	-	-	-	-	-	-
<b>c) Total</b>	-	-	<b>171.36</b>	<b>285.63</b>	<b>3,35,732.61</b>	<b>3,69,071.20</b>	-	-	<b>3,35,903.97</b>	<b>369,356.83</b>
<b>B Results</b>										
Segment Result Before Tax	(1,061.93)	(1,028.29)	(516.06)	(517.68)	2,224.57	4,921.17	-	-	646.58	3,375.20
Less: Taxes									306.20	518.41
<b>Profit After Taxes</b>							-	-	<b>340.38</b>	<b>2,856.79</b>
<b>C Assets</b>										
a) Segment Assets	3,977.75	5,049.12	1,152.74	1,576.38	1,74,724.10	1,71,283.19	-	-	1,79,370.59	177,908.69
b) Un-allocable Assets									14,845.98	14,845.99
<b>c) Total</b>	<b>3,977.75</b>	<b>5,049.12</b>	<b>1,152.74</b>	<b>1,576.38</b>	<b>1,74,724.10</b>	<b>1,71,283.19</b>	-	-	<b>1,94,216.57</b>	<b>192,754.68</b>



## SUJANA UNIVERSAL INDUSTRIES LIMITED

<b>D</b>	<b>Liabilities</b>										
a)	Segment Liabilities	12.15	17.90	126.50	75.24	1,27,284.34	1,27,050.31	-	-	1,27,422.99	127,143.45
b)	Un-allocable Liabilities									3,249.75	3293.55
<b>c)</b>	<b>Total</b>	<b>12.15</b>	<b>17.90</b>	<b>126.50</b>	<b>75.24</b>	<b>1,27,284.34</b>	<b>1,27,050.31</b>	<b>-</b>	<b>-</b>	<b>1,30,852.74</b>	<b>130,437.00</b>
<b>E</b>	<b>Others</b>										
a)	Depreciation	1,066.82	1,030.79	397.83	399.29	1,543.34	1,403.67	-	-	3,007.99	2,833.75
b)	Capital Expenditure	-	-	-	-	-	-	-	-	-	-
c)	Non-Cash Expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

### (ii) Secondary Segments Information: Geographical

Revenue from geographical segment is based on location of its customers and total carrying amount of assets. The total cost incurred during the year to acquire fixed assets is based on geographical locations of the assets.

Rs. in Lakhs

Particulars		31.03.2013	31.03.2012
<b>A</b>	<b>Revenue by Geographical Market</b>		
	In India	2,90,252.18	301,625.67
	Outside India	45,651.79	67,731.16
	Total	3,35,903.97	369,356.83
<b>B</b>	<b>Additions to Fixed Assets and Intangible Assets</b>		
	In India	5,935.50	3,804.75
	Outside India	-	-
	Total	5,935.50	3,804.75
<b>C</b>	<b>Carrying Amount of Segment Assets</b>		
	In India	1,79,849.50	177,908.69
	Outside India	14,367.07	14,845.99
	Total	1,94,216.57	192,754.68

### 2.32 Earnings Per Share (EPS)

#### Basic and Diluted Earnings Per Share

Rs. in lakhs

Particulars	2012-13	2011-12
Net Profit After Tax	340.38	2,856.79
Less: Dividend on CRPS	24.36	24.36
Dividend Tax	3.95	3.95
Net Profit attributable to Equity shareholder	312.07	2,828.48
Weighted average number of equity shares for Basic EPS	16,83,79,758	15,40,05,006
Weighted average number of equity shares for Diluted EPS	16,83,79,758	15,40,05,006
Nominal Value of Ordinary Share	Rs. 10.00	Rs. 10.00
Basic Earnings per Ordinary Share	Rs. 0.19	Rs. 1.84
Diluted Earnings per Ordinary Share	Rs. 0.19	Rs. 1.84

**2.33** Balances under Sundry Debtors, Sundry creditors and Loans & Advances and other receivables and payables include long outstanding amounts are subject to confirmations to be received from most of the parties.

**2.34** The Company has not received information / memorandum as required to be filed by the supplier with the notified authority under the MSMED Act, 2006 claiming their status as Micro or Small or Medium Enterprises. Hence, disclosure relating to amounts unpaid as at the year end together with interest paid or payable under this act has not been given.

### 2.35 Contingent Liabilities

Particulars	2012-13	2011-12
<b>1. Bank Guarantees</b>		
a) Bank of Baroda: Guarantee executed in favour of Commissioner Central Excise	Rs. 8.00 lakhs	Rs. 8.00 lakhs
b) Corporate Guarantee executed by the Company in favour of Hestia Holdings Ltd, Mauritius, wholly owned subsidiary to SUIL.	US \$ 20 Millions	US \$ 20 Millions
c) Corporate Guarantee executed by the Company in favour of Selene Holdings Ltd, Mauritius, wholly owned subsidiary to Nuance Holdings Ltd.	US \$ 28 Millions	US \$ 28 Millions
<b>2. Standby Letter of Credit (SBLC)</b>		
a) Indian Overseas Bank: SBLC issued in favour of Apies Ventures Pte. Ltd	US \$ 13.5 Millions	Nil
b) Indian Overseas Bank: SBLC issued in favour of United Industrial Group (Asia) Ltd	US \$ 8.73 Millions	Nil
c) Oriental Bank of Commerce: SBLC issued in favour of Pan Arabian International FZE	US \$ 9 Millions	Nil
<b>3. Claims against the Company not acknowledged as debt</b>		
a) Sales Tax	Rs. 5964.16 lakhs	Rs. 5964.16 lakhs
b) Customs & Central Excise	Rs. 769.50 lakhs	Rs. 839.02 lakhs
d) Income Tax	Rs. 2025.75 lakhs	Rs. 756.29 lakhs
c) Workmen Compensation	Rs. 1.77 lakhs	Rs. 1.77 lakhs

### 2.36 Disclosure of Raw Materials consumed, Goods Purchased & Sold, and Work-in-progress

<b>a) Details of Raw Material Consumed</b>		Rs. in Lakhs
Particulars	2012 - 13	2011 - 12
<b>A) MS Scrap</b>		
Opening Stock	286.65	270.55
Add: Purchases	1,613.04	2,396.99
	1,899.69	2,667.54
Less: Closing Stock	372.80	286.65
Material Consumed	<b>1,526.89</b>	2,380.89
<b>B) Pig Iron</b>		
Opening Stock	-	-
Add: Purchases	624.19	757.64
	624.19	757.64
Less: Closing Stock	-	-
Material Consumed	<b>624.19</b>	757.64
<b>C) Sponge Iron</b>		
Opening Stock	-	-
Add: Purchases	2,359.92	4,237.50
	<b>2,359.92</b>	4,237.50
Less: Closing Stock	-	-
Material Consumed	<b>2,359.92</b>	4,237.50

## SUJANA UNIVERSAL INDUSTRIES LIMITED

D) Appliances & Others		
Opening Stock	9.73	17.19
Add: Purchases	157.15	173.77
	166.88	190.96
Less: Closing Stock	10.59	9.73
Material Consumed	<b>156.29</b>	181.23

<b>b) Details of Goods Purchased &amp; Sold</b>				Rs. in Lakhs
Particulars	Purchases		Sales	
	2012-13	2011 - 12	2012 - 13	2011 - 12
A) Steel Products	2,86,161.24	307,830.12	3,00,945.70	317,555.04
B) Crude Palm Oil	22,841.25	25,119.96	23,604.94	28,591.47
C) Computer Peripherals	4,431.81	3,510.51	4,520.48	3,856.29
D) Steam Coil	358.51	49.99	363.28	50.98
E) Fans	73.70	9,201.58	74.65	8,997.36
<b>Total</b>	<b>3,13,866.51</b>	<b>345,712.16</b>	<b>3,29,509.05</b>	<b>359,051.14</b>

<b>c) Details of Work-in-Progress</b>			Rs. in Lakhs
Particulars		2012 - 13	2011 - 12
Ingots		-	-
Billets		25.88	28.87
Fan & Fan Components		28.65	44.07
<b>Total</b>		<b>54.53</b>	<b>72.94</b>

### 2.37 Earnings in Foreign Currency

Rs. in Lakhs

Particulars	2012-13	2011-12
FOB Value of Exports	45,651.79	67,731.16

### 2.38 Expenditure in Foreign Currency

Rs. in Lakhs

Particulars	2012-13	2011-12
CIF Value of Imports	23,781.45	47,470.72
(ii) Others	Nil	1.75

**2.39** Previous year's figures have been regrouped wherever necessary for comparability and to conform to current period's classification and comparison.

**2.40** Figures have been rounded off to nearest rupee.

As per our report of even date

For and on behalf of the Board

**T Raghavendra & Associates**

Chartered Accountants

FRN:003329S

**G Srinivasa Raju**

Managing Director

**S Hanumantha Rao**

Director

**T Raghavendra**

Mem. No.023806

**M Naresh Kumar**

Company Secretary

Place: Hyderabad

Date: 28.05.2013

Place: Hyderabad

Date: 28.05.2013

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# **Consolidated Accounts for the Year Ended 31st March 2013**

**Consisting of (a) annual audited accounts of your Company for the year ended 31st March 2013 (b) audited financial statements of Pac Ventures Pte Ltd, for the year ended 31st March 2013 (c) audited financial statements of Nuance Holdings Limited for the year ended 31st March 2013 (d) un-audited financial Statements of Sujana Holdings Limited 31st March 2013 (e) Hestia Holdings Limited for the period ended 31st December 2012 and (f) Audited Financial Statements of Sun Trading Limited for the year ended 31st March 2013.**

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## **INDEPENDENT AUDITORS' REPORT**

To  
THE BOARD OF DIRECTORS  
SUJANA UNIVERSAL INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of Sujana Universal Industries Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

We did not audit the financial statements of the subsidiaries namely Pac Ventures Pte. Ltd., Singapore, whose financial statements reflect total assets of Rs. 25,588.47 lakhs at 31st March 2013 as the case may be, the total revenue of Rs.17,524.34 lakhs. These financial statements and other information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors. We have audited the financial statements of subsidiaries namely Sun Trading Ltd, Cayman Islands as on 31st March 2013 and Hestia Holdings Ltd., Mauritius as on 31st December 2012 whose financial statements reflect total assets of Rs.52,499.03 lakhs at 31st March 2013 and 31st December, 2012 respectively as the case may be, the total revenue of Rs.32,009.03 lakhs.

We have relied on the un-audited consolidated financial statements subsidiary namely Nuance Holdings Ltd, Hong Kong and Sujana Holdings Ltd, Dubai and the consolidated financial statements reflect total assets of Rs.157,926.35 lakhs as at 31st March 2013 and the total revenue of Rs.16,578.87 lakhs. These un-audited

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

consolidated financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely on such approved un-audited financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the act in manner so required and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii) In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- iii) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For T Raghavendra & Associates**

Chartered Accountants

FRN: 003329S

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28th May 2013

**Consolidated Balance Sheet as at 31st March, 2013**

Rs. in Lakhs

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2.01	<b>19,320.31</b>	19,320.31
(b) Reserves and Surplus	2.02	<b>60,690.73</b>	57,869.76
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	2.03	<b>19,111.02</b>	17,057.00
(b) Deferred Tax Liabilities (Net)	2.04	<b>3,429.75</b>	3,293.55
(c) Long-Term Provisions	2.05	<b>128.49</b>	119.20
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	2.06	<b>56,081.76</b>	56,030.54
(b) Trade Payables	2.07	<b>219,701.07</b>	177,895.19
(c) Other Current Liabilities	2.08	<b>26,406.11</b>	8,836.84
(d) Short-Term Provisions	2.09	<b>357.33</b>	1,183.30
<b>Total</b>		<b>405,226.57</b>	341,605.69
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible Assets	2.23	<b>20,993.97</b>	21,019.79
(ii) Intangible Assets	2.23	<b>24.61</b>	29.67
(b) Long Term Loans and Advances	2.10	<b>763.39</b>	910.54
<b>Current Assets</b>			
(a) Inventories	2.11	<b>4,324.75</b>	4,620.24
(b) Trade Receivables	2.12	<b>325,807.97</b>	267,091.55
(c) Cash and Cash Equivalents	2.13	<b>1,473.34</b>	12,510.64
(d) Short-Term Loans and Advances	2.14	<b>51,838.54</b>	35,423.26
<b>Total</b>		<b>405,226.57</b>	341,605.69

As per our report of even date

For and on behalf of the Board

**T Raghavendra & Associates**Chartered Accountants  
FRN:003329S**G Srinivasa Raju**

Managing Director

**S Hanumantha Rao**

Director

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28.05.2013

**M Naresh Kumar**

Company Secretary

Place: Hyderabad

Date: 28.05.2013



# SUJANA UNIVERSAL INDUSTRIES LIMITED

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

Rs. in Lakhs

Particulars	Note No	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>I. Revenue</b>			
Revenue from Operations	2.15	<b>402,016.22</b>	517,396.43
Other Income	2.16	<b>922.08</b>	1,159.82
<b>Total Revenue</b>		<b>402,938.30</b>	518,556.25
<b>II Expenses:</b>			
Cost of Materials Consumed	2.17	<b>4,774.08</b>	7,714.67
Purchase of Stock-in-Trade		<b>377,369.00</b>	488,517.57
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.18	<b>400.12</b>	74.67
Employee Benefit Expense	2.19	<b>728.17</b>	636.49
Finance Costs	2.20	<b>9,490.79</b>	7,833.78
Depreciation and Amortization Expense	2.23	<b>3,016.33</b>	2,842.78
Other Expenses	2.21	<b>5,157.99</b>	4,102.66
<b>Total Expenses</b>		<b>400,936.48</b>	511,722.62
<b>III Profit Before Exceptional Items and Tax (I - II)</b>		<b>2,001.82</b>	6,833.63
IV Exceptional Items (Refer Note 2.22)	2.22	<b>152.96</b>	17.52
<b>V Profit Before Tax (III - IV)</b>		<b>1,848.86</b>	6,816.11
VI Tax Expense:			
Current tax		<b>191.41</b>	1,103.40
Deferred tax		<b>136.19</b>	(77.65)
MAT Credit		-	(478.92)
<b>VII Profit for the year (VI - VII)</b>		<b>1,521.27</b>	6,269.28
Earnings per Equity Share of Rs.10 each (Refer Note 2.28)			
Basic		<b>0.89</b>	4.05
Diluted		<b>0.89</b>	4.05

As per our report of even date

For and on behalf of the Board

**T Raghavendra & Associates**  
Chartered Accountants  
FRN:003329S

**G Srinivasa Raju**  
Managing Director

**S Hanumantha Rao**  
Director

**T Raghavendra**  
Mem. No.023806

**M Naresh Kumar**  
Company Secretary

Place: Hyderabad  
Date: 28.05.2013

Place: Hyderabad  
Date: 28.05.2013

**Consolidated Cash Flow Statement for the year ended 31st March, 2013**

Rs. in lakhs

Particulars	31.03.2013	31.03.2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Profit & Loss Account	<b>1,848.86</b>	6,816.12
<b>Adjustments for</b>		
Depreciation	<b>3,016.33</b>	2,842.78
Financial Expenses	<b>9,490.79</b>	7,833.78
Interest earned & other income	<b>(922.08)</b>	(1,159.82)
Profit on sale of fixed assets	<b>(8.46)</b>	
<b>Operating Profit Before Working Capital Changes</b>	<b>13,425.44</b>	16,332.86
<b>Adjustments for</b>		
Decrease in Inventories	<b>295.49</b>	96.55
Increase in Trade Receivables	<b>(58,738.92)</b>	(111,097.24)
Increase in Long & Short Term Loans & Advances	<b>(16,268.13)</b>	(24,152.40)
Increase in Current & Non Current Liabilities	<b>59,375.15</b>	88,602.99
Increase in Long & Short Term Provisions		102.04
Cash Generated from Operations	<b>(1,910.97)</b>	(30,115.20)
Other Income	<b>2.87</b>	834.91
Exceptional Items	<b>152.96</b>	17.52
<b>Cash from Operating Activities (A)</b>	<b>(1,755.14)</b>	(29,262.77)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(5,954.96)</b>	(3,768.29)
Sale proceeds of fixed assets	<b>2,974.02</b>	-
Increase in Forex Reserve	<b>594.39</b>	3,719.07
Interest Received	<b>489.94</b>	324.91
<b>Cash from Investment activities (B)</b>	<b>(1,896.61)</b>	275.69
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	2,531.25
Share Premium Received	-	375.00
Increase in Loan Funds	<b>2,105.24</b>	38,799.93
Dividend & Taxes paid	-	(36.54)
Interest & Financial Charges	<b>(9,490.79)</b>	(7,833.78)
<b>Net Cash from financing activities (C)</b>	<b>(7,385.55)</b>	33,835.86
<b>Net Increase in cash and cash equivalent (A+B+C)</b>	<b>(11,037.30)</b>	4,848.78
Cash and Cash equivalent as on 01.04.2012	<b>12,510.64</b>	7,661.84
<b>Cash and Cash equivalent as on 31.03.2013</b>	<b>1,473.34</b>	12,510.64

## Notes:

1. Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statements.
2. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with banks.
3. Cash and cash equivalents comprises of restricted cash held in margin money deposits of Rs. 1,320.01 lakhs.

As per our report of even date

For and on behalf of the Board

**T Raghavendra & Associates****G Srinivasa Raju****S Hanumantha Rao**

Chartered Accountants

Managing Director

Director

FRN:003329S

**T Raghavendra****M Naresh Kumar**

Mem. No. 023806

Company Secretary

Place: Hyderabad

Place: Hyderabad

Date: 28.05.2013

Date: 28.05.2013

# SUJANA UNIVERSAL INDUSTRIES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except interest on margin money deposits in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards (AS) notified under Section 211 (3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees (Rs. in Lakhs).

#### 1.2 Principles of Consolidation

- a. The Consolidated Financial Statements of the Company have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" read with Accounting Standard 23 on "Accounting for Investments in Associate in Consolidated Financial Statements" notified under Section 211(3C) of the Companies Act, 1956 and relevant provisions thereof
- b. The Consolidated Financial Statements have been prepared based on line by line consolidation by adding together the book values of like items of assets, liabilities, income and expenses as per the accounts of the parent company and its subsidiary companies and intra group transactions have been eliminated.
- c. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent possible, in the same manner as the parent companies individual accounts. In case of foreign subsidiaries the revenue items, assets and liabilities are converted at the rate prevailing as on the date of the balance sheet.
- d. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange differences arising on consolidation is recognised in foreign exchange translation reserve.
- e. The difference between the cost of investments in subsidiaries, and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as goodwill or capital reserve as the case may be.

#### 1.3 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.4 Fixed Assets

- a. Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price (net of rebates and discounts) and any other directly attributable costs of bringing the assets to working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

- b. Advances paid towards acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

### **1.5 Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated depreciation.

### **1.6 Depreciation**

- a. Depreciation on fixed assets is provided using the Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life.
- c. Depreciation is calculated on a pro-rata basis from/ upto the date the assets are purchased / sold.

### **1.7 Investments**

- a. Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".
- b. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.
- c. The investments in fully owned subsidiaries are carried out at the cost of acquisition as the same are long term investments.

### **1.8 Revenue Recognition**

- a. Revenue is recognized when it is earned and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- b. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.
- c. Sales are net of sales returns and trade discounts. Export turnover includes related export benefits. Excise duty and VAT are recovered is presented as a reduction from gross turnover.
- d. Interest revenue on fixed deposits is recognized on accrual basis.

### **1.9 Inventories**

Inventories are valued at the lower of Cost or Net Realizable Value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is arrived at,

- a. In case of raw materials and other trading products on weighted average cost method.
- b. In case of stores and spares on weighted average cost method.
- c. In case of work in process and finished goods, includes material cost, labour, manufacturing overheads.

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sell.

### **1.10 Employee Benefits**

a. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

b. Post-employed benefits

i) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post-employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

ii) 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.

iii) The gratuity benefit obligations recognized in the Balance Sheet represents the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

### **1.11 Foreign Currency Transactions**

a) Foreign currency transactions are recorded in the reporting currency at the exchange rates prevailing on the date of the transaction.

b) Exchange differences arising on the settlement of monetary items on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

c) Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

d) Closing monetary foreign current assets and current liabilities have been re-instated in the reporting currency at the exchange rate prevailing on balance sheet date, in accordance with Accounting Standard 11 on "The Effects of changes in Foreign Exchange Rates" The difference arising on these transactions being charged/revenue to the Statement of Profit and Loss

### **1.12 Taxes on Income**

#### **I) Indian Entities**

a) Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income".

b) Taxes comprise both current and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and laws.

- c) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.
- d) The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.
- e) Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations.
- f) The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.
- g) Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

## II. Foreign Entities

Foreign Companies recognised tax liabilities and assets in accordance with its applicable local laws.

### 1.13 Earnings per Share

- a) The Company reports basic and diluted Earnings Per Share (EPS/DEPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.
- b) Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares from the exercise of convertible share warrants of un-issued share capital, except where the results are anti-dilutive.

### 1.14 Leases

- a) Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after 1st April 2001 are capitalized at the fair value or the present value of minimum lease payments at the inception of the lease, whichever is lower.
- b) Lease income from assets given on operating lease is recognized as income in the Statement of Profit and Loss. Lease payments for assets taken on operating lease are recognized as expense in the Statement of Profit and Loss.

### 1.15 Segment Reporting

Disclosure is made as per the requirements of the Standard. Details have furnished under Note No.2.27 of Notes to Accounts.

### 1.16 Impairment of assets

- a) The Company assesses at each balance sheet date whether there is any indication that any

## **SUJANA UNIVERSAL INDUSTRIES LIMITED**

assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

- b) If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the re-assessed recoverable amount subject to a maximum of depreciated historical cost.

### **1.17 Provision for Doubtful Debts /Advances**

- a) Provision for doubtful debts/ advances is made when there is uncertainty of realization of debts which are long outstanding. All debts which are over and above one year are provided in full unless there is certainty of its recovery.
- b) In addition to the above, provision is also made in respect of dues in respect of which suits are filed. Writing off doubtful debts/advances are made when the un-realisability is established.

### **1.18 Provisions, Contingent Liabilities and Contingent Assets**

- a) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b) Contingent Liabilities are not recognised but are disclosed in the notes.
- c) Contingent Assets are neither recognised nor disclosed in the financial statements.

### **1.19 Cash Flow statement**

Cash Flow Statement has been prepared using the "Indirect Method" as per the Accounting Standard 3 on "Cash Flow Statements"

### **1.20 Borrowing cost**

- a) Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.
- b) All other borrowing costs are charged to the Statement of Profit and Loss

### **1.21 Related party disclosure**

Disclosure is made as per the requirements of the standard and as per the clarifications issued by the Institute of Chartered Accountants of India under Note No.2.25 of Notes to Accounts.

### **1.22 Interim Financial Reporting**

Quarterly financial results are published in accordance with the requirement of listing agreement with stock exchanges. The recognition and measurement principle as laid down in the standard have been followed in the preparation of these results.

### **1.23 Consolidation of Financial Statements**

The Consolidated Financial Statements of the Company have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" read with Accounting Standard 23 on "Accounting for Investments in Associate in Consolidated Financial Statements" notified under Section 211(3C) of the Companies Act, 1956 and relevant provisions thereof

**2. NOTES TO THE CONSOLIDATED BALANCE SHEET**

Rs. in Lakhs

	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>2.01 Share Capital</b>		
<b>a) Authorised Share Capital</b>		
17,50,00,000 Equity Shares of Rs. 10/- each	<b>17,500.00</b>	17,500.00
25,00,000 1% Cumulative Redeemable Preference Shares of Rs.100/- each	<b>2,500.00</b>	2,500.00
<b>Total</b>	<b>20,000.00</b>	20,000.00
<b>b) Issued, Subscribed &amp; Fully Paid Up Share Capital</b>		
16,88,41,072 Equity Shares of Rs. 10/- each	<b>16,884.11</b>	16,884.11
24,36,200 1% Cumulative Redeemable Preference Shares of Rs.100/- each	<b>2,436.20</b>	2,436.20
<b>Total</b>	<b>19,320.31</b>	19,320.31

**Notes :**

- i) Company has allotted 24,36,200 of 1% Cumulative Redeemable Preference Shares (CRPS) of Rs.100/ each on 31st March 2006 aggregating to Rs.2436.20 lakhs, and redeemable in 12 quarterly installments co-terminus with the principal repayment. Accordingly the repayment of CRPS starts from October 2013 and will be completed by July 2016.
- ii) **Reconciliation of the number of shares outstanding at the beginning and end of the reporting period**

Particulars	2012-13		2011-2012	
	No. of Shares	Amount	No. of Shares	Amount
a) Equity Shares				
Shares Outstanding at the Beginning of the year	168,841,072	16,884.11	138,841,072	13,884.11
Add: Shares Issued During the year	-	-	30,000,000	3,000.00
Less: Shares Redeemed/ Bought Back During the year	-	-	-	-
Shares Outstanding at the end of the year	168,841,072	16,884.11	168,841,072	16,884.11
b) Preference Shares				
Shares Outstanding at the Beginning of the Year	2,436,200	2,436.20	2,436,200	2,436.20
Add: Shares Issued During the year	-	-	-	-
Less: Shares Redeemed/ Bought Back During the year	-	-	-	-
Shares Outstanding at the end of the year	2,436,200	2,436.20	2,436,200	2,436.20

**iii) Details of shareholders holding more than 5% in the company:**

Name of the Shareholder	2012-13		2011-12	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
i) Yalamanchili Finance & Trading Pvt Ltd	30,000,000	18	30,000,000	18
ii) Sujana Finance & Trading Pvt. Ltd	13,739,235	8	17,728,542	11
iii) Sunlight Engineering & Trading Pvt. Ltd	-	-	15,000,000	9
iv) IFCI Ltd	-	-	8,381,226	5



## SUJANA UNIVERSAL INDUSTRIES LIMITED

### 2.02 Reserves and Surplus

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>a) Capital Reserves</b>		
Opening Balance	20.00	20.00
	<b>20.00</b>	20.00
<b>b) Securities Premium Reserves</b>		
Opening Balance	18,658.23	18,283.23
Add: Additions During the Year	-	375.00
	<b>18,658.23</b>	18,658.23
<b>c) Revaluation Reserves</b>		
Opening Balance	9.46	12.94
Less: Depreciation on Revalued Assets	3.48	3.48
	<b>5.98</b>	9.46
<b>d) General Reserves</b>		
Opening Balance	1,667.83	1,667.83
	<b>1,667.83</b>	1,667.83
<b>e) Surplus</b>		
Opening Balance	34,010.47	27,769.48
Add: Profit for the Year	1,521.24	6,269.30
Add: Written off of Excess IT Provision made in earlier years	737.13	-
	<b>36,268.84</b>	34,038.78
Less: Provision for	24.36	24.36
- Proposed Dividends on CRPS	3.95	3.95
- Dividend Distribution Tax	<b>36,240.53</b>	34,010.47
<b>f) Foreign Currency Translation Reserve (FCTR)</b>	<b>4,098.16</b>	3,503.77
Total (a+b+c+d+e+f)	<b>60,690.73</b>	57,869.76

#### Notes :

#### Details of Movements in FCT Reserve

Particulars		Exchange Rates INR / USD			Diff
		Opening	Average	Closing	
		50.876	52.581	54.285	
	US \$	INR	INR	INR	INR
Sales Revenue	125,678,488		66,082.54	68,224.57	2,142.03
Other Income	113,140		59.49	61.42	1.93
Purchases	(120,717,861)		(63,474.21)	(65,531.69)	(2,057.48)
Expenses (incl. Tax)	(2,825,344)		(1,485.58)	(1,533.74)	(48.16)
Opening Reserves	22,047,181	11,358.17	11,593	11,968.31	610.14
Others					1.34
Loans & Advances - Net					1,150.89
Investments					2,297.47
Movements in FCT Reserve					4,098.16

**2.03 Long-Term Borrowings**

Rs. in Lakhs

	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>Secured</b>		
a) Term Loans from Banks (Refer to Note 1)		
i) Term Loan	<b>3,605.02</b>	3,964.75
ii) Working Capital Term Loan	<b>1,763.30</b>	-
iii) Funded Interest Term Loan	<b>650.45</b>	-
	<b>6,018.77</b>	3,964.75
<b>Un-Secured</b>		
Loans from Others (Refer to Note 2)	<b>13,092.25</b>	13,092.25
	<b>13,092.25</b>	13,092.25
<b>Total</b>	<b>19,111.02</b>	17,057.00

**Notes :**

- 1) (a) The above term loans are availed from IDBI Bank Ltd
- (b) The term loan outstanding of Rs.3605.02 lakhs was rescheduled and made payable in 25 monthly installments commencing from July 1, 2014 and ending on July 1, 2016 and carrying interest rate BBR + 650 basic points
- (c) Over due LC's outstanding/devolved were converted into Working Capital Term Loan and repayable in 36 monthly installments commencing from July 1, 2014 and carrying interest rate BBR + 650 basic points
- (d) The following interests were converted into Funded Interest Term Loan (FITL), which is repayable in 36 monthly installments commencing from July 1, 2014 and carrying interest rate BBR + 650 basic points:
  - i) Interest on term loan fallen due upto 31.03.2013
  - ii) Overdue interest / penal interest on CC fallen due from October 31, 2012 upto 31.03.2013
  - iii) Interest on devolved LCs fallen due up to 31.03.2012
- (e) The above term loans are secured by way of first charge on the entire fixed assets of the Company, both present and future, ranking pari passu with the charges already created in favour of existing term lender and second charge on all the current assets of the Company, both present and future, and further secured by the guarantees of the Promoter Directors, in their personal capacities and corporate guarantee of M/s Sujana Metal Products Ltd.
- 2) Un-secured loans represents loans availed in the previous year 2011-12 from the Tejdeep Engineering Enterprises Pvt. Ltd and Tejeswini Engineering Pvt. Ltd to meet the working capital requirements.

**2.04 Deferred Tax Liability (Net)**

Opening Balance	<b>3,293.55</b>	3,371.22
Add: Deferred Tax Assets		
(i) On account of difference between book and tax depreciation	<b>139.74</b>	(74.41)
(ii) Provision for Gratuity	<b>(2.38)</b>	(1.44)
(iii) Provision for Leave Encashment	<b>(1.16)</b>	(1.82)
Closing Balance	<b>3,429.75</b>	3,293.55

**2.05 Other Long-Term Provisions**

Provision for Employee Benefits	<b>128.49</b>	119.20
Total	<b>128.49</b>	119.20

**2.06 Short-Terms Borrowings**

Secured		
From Banks		
Working Capital Loans	<b>56,081.76</b>	56,030.54
<b>Total</b>	<b>56,081.76</b>	56,030.54

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### Notes :

#### Working Capital Loans include :

- Working Capital Loans availed from banks are inter alia secured by way of pari passu first charge on the current assets and pari passu second charge on fixed assets both present and future and secured by the personal guarantees of Promoter Directors. Further secured by the corporate guarantee of M/s Sujana Metal Products Ltd.
- Working Capital Loans from banks include Revolving Trade Finance facility by WOS, Hestia Holdings Ltd, from Mauritius Commercial Bank Ltd, Mauritius for an amount aggregating to USD 15.39 million. The first revolvment under the facility effected from 3rd August 2011. This facility is fully utilized by the Company for its business. This facility is secured by corporate guarantee given by Sujana Universal Industries Ltd to the extent of USD 20 million, assignment of all receivables of Hestia Holdings Ltd. The Subsidiary Company, Hestia Holdings Ltd has defaulted in repayment of the trade finance facility of USD 15.39 million
- Working Capital Trade Finance facility availed by Step Down Subsidiary, Selene Holdings Ltd (WOS to Nuance Holdings Ltd), from Standard Bank, Mauritius and Africa Bank Ltd, for an amount aggregating to USD 22.02 million. This facility is secured by corporate guarantee given by Sujana Universal Industries Ltd to the extent of USD 28 million and by floating charge on the assets to the extent of facility amount and assignment of receivables, arises from assignment of all receivables of Selene Holdings Ltd and credit insurance from New India Assurance, Mauritius. The Step Down Subsidiary Company, Selene Holdings Ltd has defaulted in repayment of trade finance facility of USD 18.18 million.

#### 2.07 Trade payables

	Rs. in Lakhs	
	As at 31.03.2013	As at 31.03.2012
<b>Trade payables</b>	<b>29,690.44</b>	47,146.60
i) Acceptance	<b>190,010.63</b>	130,748.59
ii) Others	<b>219,701.07</b>	177,895.19

#### Notes:

Acceptance refers to LC acceptances from banks are secured by way of pari passu first charge on the current assets and pari pasu second charge on fixed assets both present and future and secured by the personal guarantees of the Promoter Directors and further secured by the corporate guarantee of M/s Sujana Metal Products Ltd. The Company has defaulted in payment of LC acceptance of Central Bank of India, Mumbai amounting to Rs.8939.38 lakhs

#### 2.08 Other Current Liabilities

Current Maturities of Long Term Borrowings		
- Vehicle Loans (Refer to Note)	<b>7.70</b>	64.12
- Others	-	306.61
Loans and Advances from Related Parties	<b>2,133.06</b>	-
Interest Accrued But Not Due on Borrowings	-	124.15
Other Payables		
- Auditors Fees Payable	<b>35.27</b>	17.17
- Rent Payable	-	3.16
- CRPS Dividend Payable	<b>24.36</b>	-
- Dividend Distribution Tax Payable	<b>3.95</b>	-
- FBT Payable	<b>29.34</b>	29.34
- Income Tax Payable	<b>974.77</b>	840.14
- Sundry Creditors for Services & Others	<b>2,826.68</b>	780.06
- Advances from Customers	<b>17,825.68</b>	2,957.25
- Capital Creditors	<b>2,061.57</b>	3,256.04
- Interest Payable	<b>217.84</b>	308.14
- Cost Audit Fees Payable	<b>6.07</b>	3.37
- Amount Due to Directors	<b>259.82</b>	147.29
<b>Total</b>	<b>26,406.11</b>	8,836.84

#### Notes

Vehicle loans availed from various banks and secured by way of charge of respective vehicles financed.

Rs. in Lakhs

	As at 31.03.2013	As at 31.03.2012
<b>2.09 Short-Term Provisions</b>		
Employee Benefits	116.42	36.77
Provision for Income Tax	179.80	1,101.68
Provision for Statutory Liabilities	32.80	16.54
Proposed Dividends on CRPS	24.36	24.36
Dividend Distribution Tax	3.95	3.95
Total	357.33	1,183.30
<b>2.10 Long Term Loans and Advances</b>		
Unsecured & Considered Good		
Deposits with Government Authorities & Others	563.39	710.54
Other Loans & Advances	200.00	200.00
Total	763.39	910.54
<b>2.11 Inventories</b> (at lower of cost or net realizable value)		
Raw Materials	383.40	296.38
Work in Progress	54.53	72.94
Finished Goods	101.97	189.69
Stock in Trade	3,618.44	3,912.43
Stores and Spares	166.41	148.80
Total	4,324.75	4,620.24
<b>2.12 Trade Receivables</b>		
Unsecured & Considered Good		
Outstanding Less than Six Months	274,676.36	227,864.14
Outstanding More than Six Months	51,131.61	39,227.41
Total	325,807.97	267,091.55
<b>2.13 Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash on Hand	12.51	21.89
Bank Balances in Current Accounts	140.82	2,962.18
Margin Money Deposits	1,320.01	7,488.77
Fixed Deposits	-	2,037.80
Total	1,473.34	12,510.64
Notes :		
Margin money deposits represents margin money paid for Letter of Credits issued by the banks		
<b>2.14 Short Term Loans and Advances</b>		
Advance to Staff	18.17	19.35
Advance for Expenses & Others	2,616.04	2,079.69
TDS Receivable	70.29	25.86
Pre-paid Expenses	7.95	180.05
VAT Receivable	227.67	63.86
Service Tax Receivable	-	1.96
Advances to Suppliers	47,396.43	32,449.60
Excise Duty Receivable	26.16	46.42
Rental Advance	-	30.88
MAT Credit Receivable	478.92	478.92
Loans & Advance from related Parties	945.47	-
Interest Receivable	51.44	46.67
Total	51,838.54	35,423.26

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### 2. Notes to Consolidated Statement of Profit & Loss

Rs. in Lakhs

	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>2.15 Revenue from Operations</b>		
From Sale of Products (Gross)		
- Domestic	291,044.36	302,823.72
- Exports	111,764.05	215,770.76
Less: Excise Duty	(792.19)	(1,198.05)
Total	402,016.22	517,396.43
<b>2.16 Other Income</b>		
Interest Income	489.94	324.91
Other Non-operating Income (net of expenses directly attributable to such income)		
Forex Gain (Net)	-	717.94
Prior Period Items (Net)	177.33	0.21
Miscellaneous Income	251.94	114.92
Government Grants	2.87	1.84
Total	922.08	1,159.82
<b>2.17 Cost of Material Consumed</b>		
Opening Stock of RM	296.38	287.74
Add: Purchases	4,754.30	7,565.91
Add: Carriage Inward	106.80	157.40
	5,157.48	8,011.05
Closing Stock	383.40	296.38
Total	4,774.08	7,714.67
<b>2.18 Changes in Inventories</b>		
a) Opening Stock		
Stock-in-Trade	3,912.21	4,101.58
Finished Goods	189.91	58.96
Work-in-Progress	72.94	89.19
	4,175.06	4,249.73
b) Closing Stock		
Stock-in-Trade	3,618.44	3,912.21
Finished Goods	101.97	189.91
Work-in-Progress	54.53	72.94
	3,774.94	4,175.06
(Increase) / Decrease ( a - b )	400.12	74.67
<b>2.19 Employee Benefits Expense</b>		
Salaries and Wages	674.85	587.81
Contribution to Provident and Other Funds	29.68	21.25
Staff Welfare Expenses	23.64	27.43
Total	728.17	636.49

**2. Notes to Consolidated Statement of Profit & Loss**

Rs. in Lakhs

	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>2.20 Finance Costs</b>		
Interest Expenses	<b>7,910.70</b>	5,946.20
Other Borrowing Costs	<b>1,580.09</b>	1,887.58
Total	<b>9,490.79</b>	7,833.78
<b>2.21 Other Expenses</b>		
Consumption of Stores and Spare Parts	<b>560.32</b>	677.15
Power and Fuel	<b>1,826.60</b>	1,370.13
Rent	<b>247.09</b>	171.44
Repairs to Buildings	<b>11.12</b>	4.20
Repairs to Machinery	<b>18.45</b>	15.66
Insurance	<b>181.22</b>	333.49
Rates and Taxes, excluding taxes on income	<b>15.65</b>	10.77
Professional & Consultancy Charges	<b>185.41</b>	592.63
Travelling & Conveyance	<b>159.29</b>	131.97
Carriage Outwards	<b>314.19</b>	97.40
Business Development Expenses	<b>41.92</b>	135.25
Cost Audit Fees	<b>3.37</b>	3.37
Postage, Telegrams & Telephone Expenses	<b>44.89</b>	37.12
Printing & Stationery	<b>8.23</b>	25.08
Job Work Expenses	<b>288.61</b>	34.59
Audit Fee		
- Audit Fee	<b>22.44</b>	17.47
- Tax Audit Fee	<b>1.12</b>	3.37
- Others	<b>-</b>	1.43
Office Maintenance	<b>240.65</b>	154.07
Factory Maintenance	<b>8.69</b>	33.44
Foreign Exchange Fluctuations	<b>902.08</b>	-
Miscellaneous expenses	<b>76.65</b>	252.63
Total	<b>5,157.99</b>	4,102.66
<b>2.22 Exceptional Items</b>	<b>152.96</b>	17.52

During the current year the Sales Tax Authorities completed the assessments of APGST for 2002-03, 2004-05 and Central Sales Tax (CST) for 2002-03, 2005-06, 2006-07, 2007-08 & 2008-09. As a result of this the Company recognized the liability as per the Assessment Orders.

## 2. Notes to Consolidated Statement of Profit & Loss

### 2.23 Consolidated Fixed Assets

Rs. in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions	Deletions	As on 31.03.2013	As on 01.04.2012	For the Period	On Deletions	As on 31.03.2013	As on 31.03.2012
<b>A) Tangible Assets</b>									
Land	81.16	-	-	81.16	-	-	-	81.16	81.16
Buildings	1,182.99	-	-	1,182.99	551.16	39.51	-	592.32	631.83
Plant & Machinery	39,738.00	5,830.38	4,784.13	40,784.25	20,013.70	2,787.78	1,818.11	19,800.88	19,724.30
Electrical Equipments / Installations	621.25	26.79	-	648.04	427.68	39.37	-	180.99	193.57
Office Equipments	371.39	20.93	-	392.32	276.86	25.62	-	89.84	94.53
Testing Equipments	0.10	-	-	0.10	0.10	-	-	-	-
Furniture & Fixtures	110.86	0.96	-	111.82	70.89	9.09	-	31.84	39.97
Vehicles	476.47	-	-	476.47	222.84	37.32	-	216.31	253.63
Miscellaneous Equipments	3.52	-	-	3.52	2.72	0.17	-	0.63	0.80
	42,585.74	5,879.06	4,784.13	43,681	21,565.95	2,938.86	1,818.11	20,993.97	21,019.79
Less: Revaluation Reserve						3.48			
<b>Total of Tangible Assets</b>	<b>42,585.74</b>	<b>5,879.06</b>	<b>4,784.13</b>	<b>43,681</b>	<b>21,565.95</b>	<b>2,935.38</b>	<b>1,818.11</b>	<b>20,993.97</b>	<b>21,019.79</b>
<b>B) Intangible Assets</b>									
ERP / Softwares	315.54	75.90	-	391.44	285.88	80.94	-	24.61	29.66
<b>Total (A+B)</b>	<b>42,901.28</b>	<b>5,954.96</b>	<b>4,784.13</b>	<b>44,072.11</b>	<b>21,851.83</b>	<b>3,016.33</b>	<b>1,818.11</b>	<b>21,018.58</b>	<b>21,049.45</b>

## 2. NOTES TO ACCOUNTS – OTHER POINTS

**2.24** The Financial Statements of subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company i.e., March 31, 2013 except for one subsidiary company, Hestia Holdings Ltd which ends on December 31, 2012.

The list of Subsidiary Companies which are included in the consolidation and the parent company's holding therein are as under:

Name of the Subsidiary	Country	% of ownership as at 31st March 2013
Hestia Holdings Ltd	Mauritius	100%
Nuance Holdings Ltd	Hong Kong	100%
Pac Ventures Pte Ltd	Singapore	100%
Sujana Holdings Ltd	Dubai	100%
Sun Trading Ltd	Cayman Islands	100%

### 2.25 Related Party Disclosure

The following are the related parties as defined in Accounting Standard 18 notified under the Companies (Accounting Standard) Rules, 2006

#### Key Managerial Personnel

##### Name of the Person

Mr. Y S Chowdary

Mr. G Srinivasa Raju

Mr. S Hanumantha Rao

##### Relationship

Chairman

Managing Director

Non-Executive Director

#### Related Party Transactions

Rs. in Lakhs

Particulars		On Account of Key Management Personnel	
		2012-13	2011-12
<b>A</b>	<b>Sales</b>		
	Sujana Metal Products Ltd	20,844.70	8,702.67
	Sujana Towers Limited	410.01	155.24
	<b>Total</b>	<b>21,254.71</b>	<b>8,857.91</b>
<b>B</b>	<b>Purchases</b>		
	Sujana Metal Products Ltd	1,704.72	3,356.23
	Sujana Towers Limited	806.64	574.32
	<b>Total</b>	<b>2,511.36</b>	<b>3,930.55</b>
<b>C</b>	<b>Other Income</b>		
	Sujana Towers Limited	1.08	1.17
	<b>Total</b>	<b>1.08</b>	<b>1.17</b>
<b>D</b>	<b>Other Expenses</b>		
	Sujana Metal Products Ltd	9.00	9.00
<b>E</b>	<b>Remuneration</b>		
	Mr. G Srinivasa Raju	15.54	12.00
<b>F</b>	<b>Loans &amp; Advances</b>		
	Sujana Charitable Trust	30.53	49.67



## SUJANA UNIVERSAL INDUSTRIES LIMITED

### 2.26 Retirement Benefits

#### Gratuity and Leave Encashment

**Actuarial Valuation Method :** Projected Unit Credit Method

Rs. in Lakhs

		Gratuity		Leave Encashment	
		2012-13	2011-12	2012-13	2011-12
<b>(i)</b>	<b>Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:</b>				
	Obligations at the beginning of the year	103.32	88.78	27.74	20.68
	Service cost for the year	13.60	12.92	0.97	7.06
	Interest cost	8.80	7.10	2.39	1.65
	Benefits settled/paid	-	(7.83)	(2.45)	(1.75)
	Actuarial (gain) / loss	(14.42)	1.35	0.07	0.10
	Past service cost	-	-	-	-
	Obligations at the end of the year	<b>110.30</b>	102.32	<b>28.72</b>	27.74
<b>(ii)</b>	<b>Change in Plan Assets</b>				
	Plan assets at fair value at the beginning of the year	10.86	6.53	-	-
	By Merger of previous policy	-	7.00	-	-
	Expected return on plan assets	0.98	0.99	-	-
	Actuarial gain / (loss)	-	-	-	-
	Contributions	7.10	-	-	-
	Benefits settled / paid	-	(3.65)	-	-
	Plan assets at fair value at the end of the year	<b>18.94</b>	10.86	-	-
<b>(iii)</b>	<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>				
	Present value of obligation at the end of the year	110.30	102.32	28.72	27.74
	Fair value of the plan assets at the end of the year	18.94	10.86	-	-
	Amount recognised in the Balance Sheet	<b>91.36</b>	91.45	<b>28.72</b>	27.74
<b>(iv)</b>	<b>Expenses recognised in the Statement of Profit &amp; Loss</b>				
	Service cost for the year	13.60	12.92	0.97	7.06
	Interest cost	8.80	7.10	2.39	1.65
	Expected return on plan assets	(0.98)	(0.99)	-	-
	Actuarial (gain) / loss	(14.42)	1.35	0.07	0.10
	Past service cost	-	-	-	-
	Net Cost	<b>7.00</b>	20.38	<b>3.43</b>	8.81
<b>(v)</b>	<b>Assumptions</b>				
	Discount rate (Note 1)	8.20%	8.60%	8.20%	8.60%
	Estimated rate of return on plan assets (Note 2)	9.00%	8.00%	0.00%	0.00%
	Rate of escalation in salary per annum (Note 3)	6.00%	6.00%	6.00%	6.00%
	Expected average remaining working live of employees	17 years	18 years	17 years	18 years
	Retirement age	58 years	58 years	58 years	58 years

**Notes:**

1. The discount rate is based on the prevailing market yield on Government Bonds as at the balance sheet date for the estimated terms of obligations
2. a) In the case of Gratuity, the expected rate of return was assumed to be 9% per annum since the fund has earned interest at this rate as per the certificate issued by Life Insurance Corporation of India Ltd (LIC)
- b) In the case of Leave Encashment, the expected rate of return assumed to be 0% since there is no fund except provision.
3. Salary increase rate of 6% per annum has been assumed keeping in view of the inflation rate on long term basis.

**2.27 Segment Reporting**

The Company has identified three reportable segments viz. LEC Division, Appliance Division, Steel Division. Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un-allocable".
- b) Segment assets and liabilities represent net assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".

**(i) Primary Business Segment Information**

Rs. in Lakhs

Particulars	Business Segments						Eliminations		Total	
	LEC		Appliances		Steel					
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>A Revenue</b>										
a) External	-	-	171.36	285.63	4,01,844.86	517,110.80	-	-	4,02,016.22	517,396.43
b) Internal										
<b>c) Total</b>	<b>-</b>	<b>-</b>	<b>171.36</b>	<b>285.63</b>	<b>4,01,844.86</b>	<b>517,110.80</b>	<b>-</b>	<b>-</b>	<b>4,02,016.22</b>	<b>517,396.43</b>
<b>B Results</b>										
Segment Result Before Tax	(1,061.93)	(1,028.29)	(516.06)	(517.68)	3,426.84	8,362.08	-	-	1,848.85	6,816.11
Less: Taxes									327.61	546.81
Profit After Taxes									1,521.24	6,269.30
<b>C Assets</b>										
a) Segment Assets	3,977.75	5,049.12	1,152.74	1,576.38	4,00,096.08	334,980.19	-	-	4,04,747.66	341,605.69
b) Un-allocable Assets									478.91	-
<b>c) Total</b>	<b>3,977.75</b>	<b>5,049.12</b>	<b>1,152.74</b>	<b>1,576.38</b>	<b>4,00,096.08</b>	<b>334,980.19</b>	<b>-</b>	<b>-</b>	<b>4,05,226.57</b>	<b>341,605.69</b>
<b>D Liabilities</b>										
a) Segment Liabilities	12.15	17.90	126.50	75.24	3,21,647.15	260,453.80	-	-	3,21,785.80	260,546.94
b) Unallocable Liabilities									3,429.75	3,293.55
<b>c) Total</b>	<b>12.15</b>	<b>17.90</b>	<b>126.50</b>	<b>75.24</b>	<b>3,21,319.54</b>	<b>260,453.80</b>	<b>-</b>	<b>-</b>	<b>3,25,215.55</b>	<b>263,840.49</b>
<b>E Others</b>										
a) Depreciation	1,066.82	1,030.79	397.83	399.29	1,551.68	1,412.71	-	-	3,016.33	2,842.79
b) Capital Expenditure	-	-	-	-	-	-	-	-	-	-
c) Non-Cash Expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### (ii) Secondary Segments Information: Geographical

Revenue from geographical segment is based on location of its customers and total carrying amount of assets. The total cost incurred during the year to acquire fixed assets is based on geographical locations of the assets.

Rs. in Lakhs

Particulars	31.03.2013	31.03.2012
<b>A Revenue by Geographical Market</b>		
In India	2,90,252.18	301,625.67
Outside India	1,11,764.04	215,770.76
Total	<b>4,02,016.22</b>	517,396.43
<b>B Additions to Fixed Assets and Intangible Assets</b>		
In India	5,935.50	3,804.75
Outside India	19.46	13.68
Total	<b>5,954.96</b>	3,818.43
<b>C Carrying Amount of Segment Assets</b>		
In India	1,79,849.50	177,908.69
Outside India	2,25,377.07	163,697.00
Total	<b>4,05,226.57</b>	341,605.69

### 2.28 Earnings Per Share (EPS)

Basic and Diluted Earnings Per Share		Rs. in Lakhs
Particulars	2012-13	2011-12
Net Profit After Tax	1,521.26	6,269.30
Less: Dividend on CRPS	24.36	24.36
Dividend Tax	3.95	3.95
Net Profit attributable to Equity shareholder	1,492.95	6,240.99
Weighted average number of equity shares for Basic EPS	16,83,79,758	15,40,05,006
Weighted average number of equity shares for Diluted EPS	16,83,79,758	15,40,05,006
Nominal Value of Ordinary Share	Rs. 10.00	Rs. 10.00
Basic Earnings per Ordinary Share	Rs. 0.89	Rs. 4.05
Diluted Earnings per Ordinary Share	Rs. 0.89	Rs. 4.05

**2.29 Contingent Liabilities**

Rs. in Lakhs

Particulars	2012-13	2011-12
1. Bank Guarantees		
a) Bank of Baroda: Guarantee executed in favour of Commissioner Central Excise	Rs. 8.00 lakhs	Rs. 8.00 lakhs
b) Corporate Guarantee executed by the Company in favour of Hestia Holdings Ltd, Mauritius, wholly owned subsidiary to SUIL.	US \$ 20 Millions	US \$ 20 Millions
c) Corporate Guarantee executed by the Company in favour of Selene Holdings Ltd, Mauritius, wholly owned subsidiary to Nuance Holdings Ltd.	US \$ 28 Millions	US \$ 28 Millions
2. Standby Letter of Credit (SBLC)		
a) Indian Overseas Bank: SBLC issued in favour of Apies Ventures Pte. Ltd	US \$ 13.5 Millions	Nil
b) Indian Overseas Bank: SBLC issued in favour of United Industrial Group (Asia) Ltd	US \$ 8.73 Millions	Nil
c) Oriental Bank of Commerce: SBLC issued in favour of United Industrial Group (Asia) Ltd	US \$ 9 Millions	Nil
3. Claims against the Company not acknowledged as debt		
a) Sales Tax	Rs. 5964.16 lakhs	Rs. 5964.16 lakhs
b) Customs & Central Excise	Rs. 769.50 lakhs	Rs. 839.02 lakhs
d) Income Tax	Rs. 2025.75 lakhs	Rs. 756.29 lakhs
c) Workmen Compensation	Rs. 1.77 lakhs	Rs. 1.77 lakhs

**2.30** Previous year's figures have been regrouped wherever necessary to conform to current period's classification and comparison.

**2.31** Figures have been rounded off to nearest rupee.

As per our report of even date

**T Raghavendra & Associates**

Chartered Accountants

FRN:003329S

**T Raghavendra**

Mem. No.023806

Place: Hyderabad

Date: 28.05.2013

For and on behalf of the Board

**G Srinivasa Raju**

Managing Director

**S Hanumantha Rao**

Director

**M Naresh Kumar**

Company Secretary

Place: Hyderabad

Date: 28.05.2013

# SUJANA UNIVERSAL INDUSTRIES LIMITED

## Statement pursuant general exemption availed under Section 212(8) of the Companies Act, 1956 relating to Subsidiary companies (as per MCA Circular dt.08.02.2011)

Sl. No.	Name of the Company	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Tax	Profit/ (Loss) After Taxation	Proposed Dividend
1	Nuance Holdings Ltd	34.80	139.95	50,872.14	50,697.39	-	10,449.00	(438.78)	-	(438.78)	-
2	Pac Ventures Pte. Ltd	1,105.58	373.73	25,588.47	24,109.16	-	17,524.34	115.93	9.80	106.13	-
3	Sun Trading Ltd	692.13	2,716.99	41,020.17	37,611.05	-	26,457.08	1,537.61	-	1,537.61	-
4	Sujana Holdings Ltd	14,831.97	9,972.03	107,054.21	82,250.21	-	6,129.87	244.39	-	244.39	-
5	Hestia Holdings Ltd	0.05	(3.48)	11,478.86	11,482.29	-	5,551.95	(256.87)	-	(256.87)	-
6	Selene Holdings Ltd @	1,085.75	(112.28)	16,305.75	153,32.28	-	1,378.27	(515.21)	-	(515.21)	-
7	Empire Gulfe FZE @	153.50	2,270.37	9,432.12	91,897.25	-	6,129.87	236.42	-	236.42	-
@ Step down subsidiary											

## Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary companies

Sl. No.	Name of the Subsidiary Company	Financial year of the subsidiary ended on	Date when they became subsidiary company	Number of shares held at the end of the financial year of the subsidiary company	Extent of interest of holding company at the end of the financial year of the subsidiary company	The net aggregate amount of the subsidiary companies' Profit/(Loss), so far as it concerns the members of the holding company	i) Dealt with holding company's accounts	ii) Not dealt with in the holdings company's accounts
1	Nuance Holdings Ltd	31.03.2013	12.12.2006	500,000	100%	(438.78)	(a) For the financial year ended March 31, 2013	(a) For the financial year ended March 31, 2013
2	Pac Ventures Pte. Ltd	31.03.2013	04.02.2007	2,780,000	100%	106.13	(b) For previous financial years of the subsidiary company since it became holding company's subsidiary	(b) For previous financial years of the subsidiary company since it became holding company's subsidiary
3	Sun Trading Ltd	31.03.2013	18.07.2008	1,275,000	100%	1,537.61	(a) For the financial year ended March 31, 2013	(a) For the financial year ended March 31, 2013
4	Sujana Holdings Ltd	31.03.2013	11.12.2006	1,000,000	100%	244.39	(b) For previous financial years of the subsidiary company since it became holding company's subsidiary	(b) For previous financial years of the subsidiary company since it became holding company's subsidiary
5	Hestia Holdings Ltd	31.12.2012	07.03.2011	1	100%	(256.87)	(a) For the financial year ended March 31, 2013	(a) For the financial year ended March 31, 2013
6	Selene Holdings Ltd @	31.12.2012	09.11.2012		100% held by Nuance Holdings Ltd		(b) For previous financial years of the subsidiary company since it became holding company's subsidiary	(b) For previous financial years of the subsidiary company since it became holding company's subsidiary
7	Empire Gulfe FZE @	31.03.2013	15.02.2011		100% held by Sujana Holdings Ltd			
@ Step down subsidiary								

**SUJANA UNIVERSAL INDUSTRIES LIMITED**

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

**POSTAL BALLOT FORM**

Sl.No. \_\_\_\_\_

Votes cast on Resolution no. 6 contained in the Notice of 24th Annual General Meeting to be held on 30th September, 2013.

1. Name(s) of Shareholder(s) : \_\_\_\_\_  
(in block letters)  
(including joint holders, if any)

2. Regd. Folio No./Client ID : \_\_\_\_\_

3. Registered address of the sole/ : \_\_\_\_\_

First named shareholder : \_\_\_\_\_

4. Number of Shares held : \_\_\_\_\_

I / We hereby exercise my/our vote in respect of the following resolution to be passed through postal ballot for the business stated in the notice of the Company by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below.

Resolution No	Brief Description	No. of Shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
6	Special Resolution under Section 293(1) (a) of the Companies Act, 1956 to lease or transfer the whole, or substantially the whole of the undertaking(s) of the Company.			

Place:

Date :

(Signature of the shareholder)

## SUJANA UNIVERSAL INDUSTRIES LIMITED

### Instructions

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Company in the attached self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. This form should be completed and signed by the shareholder. In case of joint holding this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
3. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on **28.09.2013**. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
5. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of the notice.
6. The result of the Postal Ballot shall be declared by the Chairman, or in his absence by any other person, so authorized by the Chairman on Monday the 30th day of September, 2013 at the Venue of AGM and the resolution will be taken as passed effectively on the date of announcement of the result by the Chairman/Authorised Person. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company **www.sujana.com**.
7. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

### CALENDAR OF EVENTS

Sl.No.	Description	Date
1.	Date of Resolution of Board of Directors, authorizing Managing Director and Company Secretary to be responsible for the entire Poll process	13.08.2013
2.	Date of Appointment of Scrutinizer	13.08.2013
3.	Date on which consent given by the Scrutinizer to act as Scrutinizer	13.08.2013
4.	Date of Dispatch of notice	29.08.2013
5.	Date of completion of Dispatch of notice along with Postal Ballot	29.08.2013
6.	Last date for receiving Postal Ballot forms by Scrutinizer	28.09.2013
7.	Date of signing of the Minutes Book by the Chairman in which the results of Ballot is recorded	30.09.2013
8.	Date of returning the Ballot Papers, register required to be maintained by the Scrutinizer under rule 6(e) of the Companies (passing of the resolutions by postal ballot) Rules, 2011 and other related papers to the Chairman by the Scrutinizer	30.09.2013
9.	Date of handing over the Ballot papers to the designated authority	30.09.2013
10.	Date of declaration of results by the Chairman/Authorised Person	30.09.2013

**SUJANA UNIVERSAL INDUSTRIES LIMITED**

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

Regd Folio No:.....

No of Shares Held.....

**PROXY FORM**

I/We..... resident(s)  
of .....being a member/members of SUJANA UNIVERSAL  
INDUSTRIES LIMITED hereby appoint Mr/Ms.....  
of ..... or failing him/her .....  
of.....as my/our proxy to attend and vote for me/us on my/our behalf at the  
Twenty Fourth Annual General Meeting of the Company to be held on the 30th September, 2013 at 10.00A.M  
and at any adjournment thereof.

Signed this the ..... day of .....2013

Signature .....

Affix  
Revenue  
Stamp  
Re 1.00

Note: The instrument of proxy shall be deposited at the Registered Office of the Company not less than  
48(forty eight) hours before the time for holding the Meeting.

A PROXY NEED NOT BE A MEMBER.

**SUJANA UNIVERSAL INDUSTRIES LIMITED**

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

Member's Folio Number.....

No. of Shares held.....

**ATTENDANCE SLIP**  
(for 24th AGM)

This Attendance Slip duly filled in to be handed over at the entrance of the Meeting Hall

Name of the Attending Member or proxy (In Block Letters) .....

I hereby record my presence at the Twenty Fourth Annual General Meeting to be held on 30th September,  
2013 at Hotel Sitara Residency, Beside Chandana Brothers, Ameerpet, Hyderabad - 500 016 at 10.00 A.M.

To be signed at the time of handing over this slip

.....  
Member's/Proxy's Signature



PRINTED MATTER  
**BOOK - POST**

If undelivered, please return to:



**Sujana Universal Industries Limited**

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

Phone: 23351882 / 23351887 Website: [www.sujana.com](http://www.sujana.com)