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22nd
**ANNUAL
REPORT**
2011-2012

SUJANA METAL PRODUCTS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN	:	Shri Y.S. Chowdary
MANAGING DIRECTOR	:	Shri R.K.Birla
DIRECTORS	:	Shri G.Srinivasa Raju Shri S.Hanumantha Rao Shri J. Ramakrishnan* Dr. K.Srinivasa Rao* Dr. V.Malakonda Reddy* Shri Ashok Kumar De*, IDBI Nominee * Independent, Non-Executive Directors

MANAGEMENT COMMITTEE

: Shri Y.S.Chowdary
Shri G.Srinivasa Raju
Shri R.K.Birla
Shri S.Hanumantha Rao

AUDIT COMMITTEE

: Dr.K.Srinivasa Rao
Shri S.Hanumantha Rao
Dr.V.Malakonda Reddy
Shri Ashok Kumar De

SHARE TRANSFER COMMITTEE

: Shri Y.S.Chowdary
Shri G.Srinivasa Raju
Shri R.K.Birla

SHAREHOLDERS' GRIEVANCES COMMITTEE

: Shri S.Hanumantha Rao
Shri Y.S.Chowdary
Shri G.Srinivasa Raju

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

: Shri Shaik Ibraheem

CHIEF FINANCIAL OFFICER

: Shri V.R.Chary

STATUTORY AUDITORS

: M/s.Deloitte Haskins & Sells
Chartered Accountants, Hyderabad.

COST AUDITORS

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

BANKERS

: Andhra Bank
Bank of Baroda
Bank of India
IDBI Bank Limited
Indian Overseas Bank
Indian Bank
Karnataka Bank Limited
State Bank of Patiala
Punjab National Bank
Lakshmi Vilas Bank
Oriental Bank of Commerce

SUJANA METAL PRODUCTS LIMITED

REGISTERED OFFICE & CORPORATE OFFICE

: Plot No.41, Nagarjuna Hills, Panjagutta,
Hyderabad-500082, Andhra Pradesh

WORKS

- : **Hyderabad :**
- (i) Survey No.296/7/9
 - (ii) Plot No. 4, Survey No.296/7/7, 8 & 11,
 - (iii) Survey No. 296/7/7, 296/7/8, 296/7/11
 - (iv) Survey No. 296/7/7, 8 & 11, IDA Bollaram,
Jinnaram Mandal Medak District-502325, (A.P).
 - (v) Survey No. 196 & 197, Parigi Road,
Elikatta Village, Shadnagar,
Mahaboobnagar District, Andhra Pradesh.
 - (vi) Cut and Bend Division: Survey No. 204, 205 & 206
Elikatta Gram Panchayat,
Farooq Nagar Mandal,
Mahaboob Nagar District-509216, Andhra Pradesh.
 - (vii) Trading Division : Plot No. 4, Survey No. 296/7/7A,
IDA Bollaram, Jinnaram Mandal,
Medak District-502325, Andhra Pradesh.

Chennai:

- (i) Survey No. 204/8B, Manjankaranai Village,
Chengai, M.G.R. District - 620 502, Tamilnadu
- (ii) Plot No. B-20E, SIPCOT Industrial Complex,
Gummidipondi, Chennai, Tamilnadu.
- (iii) 150, Vichur Road, Vichur Village, Ponneri Taluq,
Tiruvellure District, Tamilnadu.

Visakhapatnam:

Sanivada Village, Rajeevnagar, Visakhapatnam - 530046.

LISTING

- : **Equity**
- Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- National Stock Exchange of India Ltd (NSE)
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
- The Madras Stock Exchange Limited (MSE)
Exchange Building, P.Box 183, 11, 2nd Line Beach,
Chennai – 600 001.
- Global Depository Receipts (GDRs)**
Luxembourg Stock Exchange,
Societe De La Bourse De Luxembourg,
B.P.165, L-2011, Luxembourg.

REGISTRAR & SHARE TRANSFER AGENTS

: M/S Bigshare Services Pvt.Ltd.
306, Right Wing, 3rd Floor Amrutha Ville, Opp: Yashoda
Hospital, Raj Bhavan Road, Somajiguda,
Hyderabad - 500 082. Phone No: 040 – 2337 4967.

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of the Company will be held on Saturday, the 22nd day of September, 2012 at "Kohinoor", Taj Deccan, Road No. 1, Banjara Hills, Hyderabad-500 034, Andhra Pradesh at 11.30 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, 2012 and the statement of profit and loss for the year ended 31st March, 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.Srinivasa Raju, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s CRK & Associates, Chartered Accountants, Hyderabad, be and are hereby appointed as 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 on such remuneration as may be fixed by the Board of Directors, in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, who expressed their inability to continue as Statutory Auditors of the Company due to their pre-occupation".

SPECIAL BUSINESS

5. **To consider and if though fit, to pass with or without modifications, the following resolution as Special Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII

and other applicable provisions, if any, of the Companies Act, 1956 and approval of the Central Government, if necessary, the remuneration of Shri R.K.Birla, Managing Director, be fixed on the following terms and conditions, with effect from 01.11.2011 for the balance tenure of his office:

1. Salary : Rs. 8,50,000/- per month.
The perquisites are classified into three categories A, B and C as follows :

Category A:

1. Housing:
 - (i). The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 18% of the salary.
 - (ii). In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (i) above.
2. Club Fees: Fees of Clubs subject to a maximum of one club. This will not include admission and life membership fees.

Category B:

Contribution to provident fund superannuation or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act of 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service subject to a ceiling of Rs.10,00,000/-

Earned/privilege leave:

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

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

SUJANA METAL PRODUCTS LIMITED

Category C:

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

Ceiling:

subject to the Provisions of Section 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956 when the profits in a financial year are adequate, the remuneration payable by way of salary, perquisites and other allowances shall not exceed five percent of the Company's net profits, provided that if there are more than one managerial person, it shall not exceed ten percent for all of them together in a financial year.

Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during his tenure as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Part II Section II of Schedule XIII to 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.

"RESOLVED FURTHER that Shri. S. Hanumantha Rao, Executive Director and Shri Shaik Ibraheem, Company Secretary of the Company be and are hereby severally authorized to file necessary forms with the Register of Companies (ROC), to complete all the formalities and compliances and to do all such acts, deeds and things as may be necessary 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, in addition to the earlier resolution passed by the members of the Company through postal ballot on 24th December, 2010 and pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the

Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of Public Financial Institutions, and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or duly authorized Committee thereof for the time being exercising the powers conferred by the Board, consent of the Company be and is hereby given to the Board and/or duly authorized Committee thereof, to make any loan to and/or to give any guarantee to and/or to provide security, in connection with a loan made by any other person to or to other person by and/or to acquire, by way of subscription, purchase or otherwise the securities, of M/s Optimix Enterprises Limited, Mauritius (being the step down subsidiary of the Company) upto an amount of US\$ 10.00 Million (US Dollars Ten Million only) (including the guarantee already provided for US\$ 7.5 Million) which exceeded sixty percent of the aggregate of the paid-up capital of the Company and its free reserves or hundred percent of the free reserves, whichever is more, but the loans to be made and/or the guarantees to be given or the security to be provided and/or the investment to be made together with the existing loans made and/or the guarantees given or security provided and/or investment already made, shall not exceed the amount as specified at any point of time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/duly authorized Committee thereof be and is hereby authorized to finalize, settle and execute such documents/deeds/writing/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard"

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

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

8. 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 17, 146, 192A and other applicable provisions, if any, of the Companies Act, 1956, and rules and regulations made there under including any statutory modification or re-enactment thereof for the time being in force and subject to confirmation of the Company Law Board delegated to Regional Director (vide notification no. S.O. 1539(E) dated July 10, 2012 issued by Ministry of

Corporate Affairs), and such other approvals, consents, permissions and sanctions as may be necessary, consent of the members of the Company be and is hereby accorded to shift the Registered Office of the Company from 8-2-248/1/7/41, Nagarjuna Hills, Panjagutta, Hyderabad-500 082, Andhra Pradesh to Nijapadam, No.6/9, Damodaran Street, (Opp: Spur Tank Road/Near Old RTO Office), Chetpet, Chennai - 600 031, Tamilnadu.”

“RESOLVED FURTHER THAT the existing Clause No.II of the Memorandum of Association of the Company be and is hereby substituted by the following Clause:-

II. The Registered Office of the Company will be situated in the State of Tamilnadu”

“RESOLVED FURTHER that on the confirmation by the Company Law Board delegated to Regional Director, the Registered Office of the Company be shifted from the State of Andhra Pradesh to the State of Tamilnadu.”

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard as the Board may in its sole and absolute discretion deems fit and delegate all or any of its powers herein conferred to any director (s) and/ or officer (s) of the Company, if required, as it may in its absolute discretion deem it necessary or desirable.”

9. 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 16 and 94 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and in accordance with the relevant provisions of Memorandum and Articles of Association of the Company, the Authorised Share Capital of the Company,

SUJANA METAL PRODUCTS LIMITED

Rs. 200,00,00,000/- (Two Hundred Crores only) divided into 32,00,00,000 (Thirty Two Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 40,00,000 (Forty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each be and is hereby reclassified into 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each total aggregating to Rs.200,00,00,000/- (Two Hundred Crores only).

“RESOLVED FURTHER THAT the Clause V(a) of the Memorandum of Association of the Company be altered as follows:

The Authorised Share Capital of the Company is Rs.200,00,00,000/- (Two Hundred Crores only) divided into 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs. 5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each.”

“RESOLVED FURTHER THAT the Board of Directors or Committee duly authorized by the Board, be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

10. 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 Section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into with the Stock Exchanges by the Company, where the shares of the Company are listed and subject

to the consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary, and /or subject to such terms and conditions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, including existing Management Committee of the Board of Directors delegated or as may be delegated with its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 10,00,000 (Ten Lakh) Cumulative Redeemable Preference Shares (“CRPS”) of the face value of Rs.100/- (Rupees One Hundred only) each, to be subscribed by, by any person or persons, whether or not shareholders of the Company, [including one or more of the members, promoters, financial institutions, banks, mutual funds, foreign investors, Non-Resident Indians, Overseas Corporate Bodies(OCB), Foreign Institutional Investors(FII), Multilateral Agencies, Venture Capital Fund, Foreign Financial Institutions, Bodies Corporate, Companies, private or public and other entities], whether through public issue, rights issue, private placement or otherwise, in one or more tranches and on such terms and conditions (including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matters incidental thereto) as the Board may in its absolute discretion decide.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the said issue, the Board/Management Committee be and is hereby authorised to take all such actions as may be deemed necessary, proper and expedient for the issue/allotment of the Preference Shares and to do all such acts, deeds and things in connection therewith and/or incidental thereto and to settle all issues that may arise in this regard in the manner as the Board/Management Committee may deem fit and appropriate, without being required to seek any further consent or approval of the members of the Company in General Meeting or otherwise and that the members shall be

deemed to have given their approval thereto expressly by the authority of this resolution”.

“RESOLVED FURTHER THAT the Board / Management Committee may delegate all or any of the powers conferred herein to any Directors or Company Secretary or any officer of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be considered necessary for the said issue”.

BY ORDER OF THE BOARD

R.K.BIRLA
MANAGING DIRECTOR

PLACE: Hyderabad

DATE: 16.07.2012

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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY STAMPED AND SIGNED MUST BE 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 20.09.2012 (one day only).
4. 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 of 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.

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, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.

5. 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.
6. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.
 7. The resolution in item nos. 6, 7 and 8 are 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 no. 111 & 112.
 8. The Ministry of Corporate Affairs (MCA) has

SUJANA METAL PRODUCTS LIMITED

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 'cssmpl@sujana.com' or by visiting our website 'www.sujana.com' or register the same with the Company's Registrar and Share Transfer Agents "Bigshare Services Private Limited".

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

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

Item No. 5

Shri R.K.Birla, was re-appointed as Managing Director of the Company for a period of 5 years with effect from 28.01.2008. Shri R.K.Birla is an able and efficient person to shoulder the responsibilities and duties of the Managing Director.

In accordance with the provisions of Section 198, 269 and 309 and Schedule XIII of the Companies Act, 1956, approval of shareholders is required for enhancement of his remuneration with effect from 01.11.2011 for the balance period of tenure of his office.

Your directors recommended the resolution for your approval.

None of the directors except Shri R.K.Birla is interested or concerned in the aforesaid resolution.

Item No. 6

The Company furnished a Corporate Guarantee on behalf of M/s Optimix Enterprises Limited, Mauritius(a step down wholly owned subsidiary of the Company) for securing the Derivative Products Trading Facility aggregating to an amount of US\$ 7.50 Million sanctioned by "Standard Bank (Mauritius) Limited, Mauritius".

Section 372A of the Companies Act, 1956 prescribes that the Company can give loan or any guarantee or provide security or acquire or purchase the securities of any other body corporate, upto sixty percent of its paid-up share capital and free reserves, or hundred percent of its free reserves, whichever is more.

Since the Company has already furnished guarantee on behalf of M/s Optimix Enterprises Limited, Mauritius, a step down wholly owned subsidiary of the Company for securing the Derivative Products Trading Facility aggregating to an amount of US\$ 7.50 Million sanctioned by "Standard Bank (Mauritius) Limited, Mauritius", the post facto approval of the members may be obtained in accordance with proviso to Section 372A of the Companies Act, 1956.

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.

Therefore, your Directors recommend the resolution for your approval.

All the Directors holding Shares in the Company may be deemed to be concerned or interested in the above resolution to the extent of the shares held by them or their relatives.

Item No. 7

In order to carry on the business of trading in various commodities including steel and steel related products and the business of manufacturing steel products more efficiently, it is contemplated to transfer the manufacturing facilities of your company to its subsidiaries and/or any other body corporates.

It is now proposed 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 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, sell, lease or otherwise dispose off the 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 transfer 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.

Item No. 8

Members are aware that the Registered office of the Company is situated at 8-2-248/1/7/41, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082, Andhra Pradesh. However, the registered office of the Company is proposed to be shifted to Chennai, Tamilnadu state to (i) carry on the business more economically and more efficiently and to change the local area of operations of the Company (ii) further strengthen the business growth; (iii) increase the business operations by getting more projects of public, private and government; (iv) grab more business opportunities and increase the scale of operations, which altogether enhance the shareholder’s value by way of improved financial structures, cash flows. The shifting of registered office to Chennai is also more economical, convenient, comfortable, advantageous and beneficial in view of

- (a) The growth in business operations of the Company and to register the Company’s presence in the Southern States;
- (b) The increased demand for the products of the Company in Southern States, will enable the Company to improve its market share, thereby achieving larger volumes of sales and profits;
- (c) To expand its product range by introducing other products in steel and other related business conditions for which Chennai port is considered ideal;
- (d) To boost the exports of the Cast Iron products by extensively utilising the facilities of the Chennai port;
- (e) To organise transportation of bulk supplies to southern markets in most economical and effective manner;
- (f) To exercise better control over the distribution and dealer net work spread in the southern

SUJANA METAL PRODUCTS LIMITED

states;

- (g) To achieve high degree of customer and shareholder satisfaction, by rendering prompt and effective after sales service to the customer and providing information to shareholders as may be required;
- (h) More convenient and friendly state government policies towards steel industry;
- (i) Availability of skilled resources;

Therefore, it is considered expedient, advantageous and economical to shift the registered office of the Company from Hyderabad, State of Andhra Pradesh to Chennai, State of Tamilnadu.

In terms of provisions of the Section 17, 146 of the Companies Act, 1956, the shifting of the registered office from one state to another state is requiring the confirmation of the Company Law Board delegated to Regional Director (vide notification no. S.O.1539(E) dated July 10, 2012 issued by Ministry of Corporate Affairs) and/or any other authority / Central Government and approval of the members by way of special resolution and alteration of situation clause in the memorandum.

Therefore, members' approval is seeking for alteration of situation clause in the memorandum and for shifting of registered office from State of Andhra Pradesh to Tamilnadu.

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 shifting registered office in the instant case.

A copy of the memorandum and articles of association of the Company together with proposed alterations is available for inspection of the members at the registered office of the Company on all working days between 11.30.a.m to 1.30.p.m.

Accordingly, the board of directors recommends the resolution set out in this notice for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 9

The Authorised Capital of the Company at present is Rs.200,00,00,000/- (Two Hundred Crores only) divided into 32,00,00,000 (Thirty Two Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 40,00,000 (Forty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each. In order to meet the long term fund requirements of the Company and to provide for the Company's working capital needs and also to meet backward intergreption plans of the Company. Accordingly, it is proposed to raise the necessary funds by issuing Cumulative Redeemable Preference Shares (CRPS). In order to facilitate the issue of the aforesaid preference shares, it is necessary to re-structure and reclassify the existing Authorised Share Capital of the Company.

Your Board of Directors are of the view that instead of increasing the Authorised Share Capital of the Company, it is prudent to reclassify part of the existing Equity Shares into Preference Shares of the Company i.e. 31,00,00,000 (Thirty One Crores only) Equity Shares of Rs.5/- (Rupees Five only) each and 45,00,000 (Forty Five Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each total aggregating to Rs.200,00,00,000/- (Two Hundred Crores only). The total Authorised Share capital remains intact.

The alterations proposed in the Memorandum and Articles of Association of the Company are only consequential to reflect the reclassification of the Authorized Share Capital of the Company.

The Board recommends the resolution set forth in Items 9 above for approval of the members.

The Directors of the Company may be deemed to be concerned or interested in this resolution to the extent of their shareholdings in the Company.

Item No. 10

With a view to infuse additional funds to meet the long term fund requirements of the Company and to provide for the Company's working capital needs and also to meet backward integration plans of the Company, it is proposed to issue and allot 10,00,000 Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each in one or more tranches to the promoters and / or non promoters on such terms and conditions as may be decided



by the board or duly authorised committee thereof.

Pursuant to Section 81 (1A) of the Companies Act, 1956, any offer or issue of shares to persons other than the existing shareholders requires the approval of the shareholders in a general meeting by a Special Resolution.

Your Directors recommend the resolution for your approval.

All the Directors holding Shares in the Company may be deemed to be concerned or interested in the above resolution to the extent of the shares held by them or their relatives.

BY ORDER OF THE BOARD

R.K.BIRLA
MANAGING DIRECTOR

PLACE: Hyderabad

DATE: 16.07.2012

SUJANA METAL PRODUCTS LIMITED

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting
[Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges]

Name of the Director	Shri G.Srinivasa Raju	Shri J.Ramakrishnan
Date of Birth	20.10.1963	20.08.1936
Date of Appointment	18-08-1999	24.07.1995
Qualification	Post graduate in mechanical engineering with specialization in Machine designs from Roorkee University	Bachelors Degree (Honors) in Science from Madras University
Expertise in specific functional area	He is a Promoter-Non Executive Director of the company. He has a rich and varied industrial experience, which also includes the management of granite units. Mr. G. Srinivasa Raju has wide exposure to the steel products industry; he also possesses a deep understanding of all the aspects of business administration. Presently, he is the managing director of SUIL. Mr. G. Srinivasa Raju has joined as one of the promoters in the year 1995.	He is an Independent and non-executive director. In August 1994 he was appointed as the Chief Commissioner of Customs and Central Excise, Hyderabad Zone. After his retirement from the Customs & Excise Department, he joined Sujana Group
Directorship in other Indian Public Limited Companies as on 31.03.2012	1. Sujana Universal Industries Limited (SUIL) 2. Sujana Towers Limited 3. Sujana Projects Limited 4. Sujana Holdings Limited 5. Sujana power (India) Limited	1. Sujana Universal Industries Limited (SUIL)
Chairman/Membership of Committees in other Indian Public Limited Companies as on 31.03.2012 (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee). (C= Chairman, M=Member)	Investor's Grievance Committee: 1. Sujana Universal Industries Limited(M) 2. Sujana Towers Limited(M)	Audit committee: 1. Sujana Universal Industries Limited(M) Investor's Grievance Committee: 1. Sujana Universal Industries Limited(C)
No of shares held in the Company.	Nil	Nil

DIRECTORS' REPORT

To

The Members of Sujana Metal Products Limited,

Your Directors have pleasure in presenting the Twenty Second Annual Report of your Company together with the Audited Statement of Financial Accounts for the Financial Year ended 31st March, 2012 comprising of 12 months from 01.04.2011 to 31.03.2012.

1. Company's Performance:

Your Directors hereby report that the Company has achieved a turnover of Rs. 353836.35 lakhs upto 31.03.2012 consisting of Twelve (12) months, as against the turnover of Rs. 425400.18 lakhs during the previous financial year ended 31.03.2011 consisting of Eighteen (18) months.

The highlights of the financial results are as follows: (Rs. In Lakhs)

Particulars	2011-12 (12 Months)	2009-2011 (18 Months)
Operating Profit before Depreciation & Interest	22122.24	32139.98
Interest	17228.30	19430.77
Depreciation	4694.62	7069.95
Operating Profit after depreciation and Interest	199.32	5639.26
Other Income	2332.66	898.65
Profit before tax	2531.98	6537.91
Provision for tax	448.98	2669.22
Profit before extra-ordinary items	2083.00	3868.69
Extra-ordinary items	--	--
Profit after extra-ordinary items	2083.00	3868.69

2. Review of Operations:

Growth in Revenue and Profit During the period under review, your Company recorded a total income of Rs.356169.01 lakhs,

compared to Rs. 426298.83 lakhs (annualized total income Rs.284199.22) in the previous financial period, which represents a 25.32 % annualized growth. The net profit for the year stands at Rs. 2083.00 lakhs as compared to the net profit of Rs. 3868.69 lakhs (annualized net profit Rs.2579.13) in the previous period, which represents a 19.24 % annualized decrease over the previous period.

3. Industrial Relations:

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

4. Prospects:

Indian GDP is estimated at 7.6% in F.Y.2012-13 as per Prime Minister's Economic Advisory Council (PMEAC). Indian steel demand is also expected to track GDP growth supported by easing interest rate cycle and resultant revival in infrastructure, construction, industrial and manufacturing sectors. Prediction of good monsoon in the current year, declining commodity prices globally, lower interest rates are positive to spur economic activity in the country. Notwithstanding, fragile recovery in US, sovereign debt crisis in Europe and slow down in china, domestic demand/ consumption is one of the primary drivers of Indian Economy, to be optimistic to show a GDP growth of above 7%. While continuing its growth thrust on secondary steel segment, your Company is actively contemplating forward as well as backward integration in the steel sector, all along the value chain from mining of ore to manufacture of steels and also actively exploring overseas expansion in steel.

5. Scheme of Amalgamation:

Board of Directors of the Company at their meeting held on 12th November, 2010 approved the Scheme of amalgamation between (1) M/s Lakshmi Gayatri Industries Private Limited, (2) M/s Glade Steel Private Limited, (3) M/s Sri Ganga Steel Enterprises Private Limited and (4) M/s Topaz Steel India Limited with M/s. Sujana Metal Products Limited w.e.f: 01.10.2009. The Amalgamation

SUJANA METAL PRODUCTS LIMITED

would result in synergy of operations and also reduce the overhead and administrative costs substantially, by combining these units it will meet the competition in the domestic and international market and also helps to meet the international standards and it will also reduce the inventory levels which will result in significant savings in procurement of inventory and carrying costs of the inventory.

Necessary approvals from the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Madras Stock Exchange Limited (MSE) have been obtained vide their Letter Nos DCS/AMAL/NTP/24(f)/983/2010-11 dated : 24th December, 2010, NSE/LIST/153641-Z dated : 14th December, 2010 and MSE/LD/PSK/738/593/10 dated : 16th December, 2010 respectively.

The Company Law Board, Southern Region Bench, Chennai has approved the shifting of registered office of M/s Sriganga Steel Enterprises Private Limited (Third Transferor Company) from the state of Tamilnadu to Andhra Pradesh on 17th February, 2011.

By an order dated : 28.03.2011, the Hon'ble High Court of Andhra Pradesh , Hyderabad has directed that meetings of the Shareholders and Secured Creditors of the Company be held at Anjuman Hall, Hotel Taj Banjara, Road No.1, Banjara Hills, Hyderabad-500034 on Thursday the 28th day of April, 2011 at 2.30 P.M. and 3.30 P.M respectively for the purpose of considering and approving the proposed scheme of amalgamation.

On 28.04.2011, Shareholders and Secured creditors of the Company passed the resolution for approving the Scheme of Amalgamation with requisite majority. The petition under Section 394 read with Section 391(2) of the Companies Act, 1956 for sanction of Scheme of amalgamation was filed with the Hon'ble High Court of Judicature at Andhra Pradesh on 15.06.2011 and admitted on 15.07.2011. As on the date of this report, the Company has not yet received the order from Hon'ble High Court of Judicature at Andhra Pradesh.

6. Subsidiaries of the company:

Details of the subsidiaries are given below:

Indian Subsidiaries:

(a). Glade Steel Private Limited

M/s Glade Steel Private Limited, Hyderabad, is a subsidiary of the Company. It is engaged in the business of manufacturing, distributing, supplying, selling and other wise dispose of Rounds, Flats, Squares, Angles, Channels, Girders and Allied Products with installed capacity of 60,000 MT/per annum of re-rolling and 50,000MT/per annum of MS ingots.

Overseas Subsidiaries;

(a). Alpha Ventures Limited

Alpha Ventures Limited is a Wholly Owned Subsidiary Company incorporated on 6th March 2007 in Cayman Islands. Alpha Ventures Limited has been promoted to carry out any object not prohibited by the Companies Law (2004) Revision, or as the same may be revised from time to time, or any other law of the Cayman Islands. As per the law prevailing in Cayman Islands, Financial Statements of M/s Alpha Venture Limited are not required to be audited.

(b). Asian Tide Enterprises Limited

Asian Tide Enterprises Limited, is a Wholly Owned Subsidiary Company. It was incorporated on 3rd July 2007 in Hong Kong for carrying on the business of trading of goods and services with accent on procuring raw materials (in bulk) for manufacturing activities of the Company (melting scarp for its rolling division) and sale surplus in the market.

(c). Optimix Enterprises Ltd

Optimix Enterprises Ltd, is a Wholly Owned Subsidiary of Asian Tide Enterprises Limited, Hong Kong and step down subsidiary of your Company. It was incorporated on 22nd August, 2011 in Mauritius for carrying on the business or businesses which are not prohibited

under the laws for the time being in force in the Republic of Mauritius. This includes (inter alia) to engage in the business of all forms of investments including but not limited to venture capital and private equity investments whether directly, indirectly through any special purpose vehicles or otherwise.

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 relating to Subsidiary Companies, as at 31st March, 2012, is also annexed to this report.

7. Consolidated Financial Statements:

Your Company has availed the general exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Director's Report and Auditor's Report of the subsidiary Companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956, to the Balance Sheet of your Company. The said exemption is granted vide Circular No. 5/12/2007-CL-III issued by Ministry of Corporate Affairs dated 08.02.2011.

Accordingly, the said documents of subsidiary Companies are not being attached with the Balance sheet of the Company. A gist of the financial performance of the subsidiary Companies is contained in the report. The annual accounts of the subsidiary Companies are open for inspection by any member/investor at the Company's Registered office and the Company will make available these documents and the related detailed information upon request by any investor of the Company or any investor of its subsidiary Companies who may be interested in obtaining the same. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is annexed to this Report.

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

8. Corporate Governance:

Your Company has complied with the requirements of Clause 49 of the listing agreement regarding Corporate Governance. A detailed report on Corporate Governance is attached and forms part of this report. Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement is attached to this report.

9. Management Discussion and Analysis Report:

A separate Management Discussion and Analysis Report is also attached and forms part of this report.

10. Directors:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri G.Srinivasa Raju and Shri J.Ramakrishnan, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

11. Directors' Responsibility Statement:

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

SUJANA METAL PRODUCTS LIMITED

1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. That they have prepared the annual accounts on a going concern basis.

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

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

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

13. 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 the Company's website. Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year 2011-12. A separate declaration to this effect is made out in the Corporate Governance Report.

14. Statutory Auditors:

The term of office of the Company's existing Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Hyderabad, will come to an end at the conclusion of the ensuing Annual General Meeting of the Company. It is proposed to appoint M/s CRK & Associates, Chartered Accountants, Hyderabad as Statutory Auditors of the Company for the financial year 2012-13 at such remuneration as may be fixed by the Board of Directors.

Your Board of Directors recommended the appointment of M/s CRK & Associates, Chartered Accountants, Hyderabad, as Statutory Auditors of your Company. Your approval for such appointment is solicited.

Your Company has received a letter from M/s CRK & Associates, Chartered Accountants, Hyderabad, to the effect that their appointment as Statutory Auditors, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for such appointment.

15. 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 2012 is included in the annual accounts.

16. Personnel:

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

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

17. Human Resource Management:

With the size of expansion going in the Company, human resources assume greater importance and have a significant place in the Organizational Structure. Your Company has been able to create a favorable work environment that encourages innovation and meritocracy. Your Company has put in place a scalable recruitment and human resource management. The efforts of your Company in the area of employee management and HR practices have been proved effective in Human Resource Management. Emphasis is given to the overall development of the personality of individual employee. Welfare schemes for employees and their families are run in the factories.

18. Dividend:

As per the terms of issue of Cumulative Redeemable Preference Shares (CRPS) vide letter No:2592/SASF/CBO and 5938/SASF/CBO dated 28.06.2005 and 29.10.2005 respectively, your Company is required to pay the dividend of Rs. 14.93 Lakhs (Previous period Rs.25.08 Lakhs) which represents 1% on 14,93,365 Cumulative Redeemable Preference Shares(CRPS) of Rs.100/- each to the holders of Cumulative Redeemable Preference Shares for the year under review, Further your Company also provided a provision of dividend tax to the extent of Rs. 2.48 Lakhs (Previous period Rs. 4.16 Lakhs).

19. Quality:

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

20. 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.

21. Listing of Company's Securities:

Your Company's shares are currently listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited and The Global Depository Receipts are currently listed at the Luxembourg Stock Exchange.

SUJANA METAL PRODUCTS LIMITED

22. Dematerialization of Shares:

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

23. Fixed Deposits:

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

24. Cost Auditors:

In pursuance of Section 233B of the Companies Act, 1956 read with circular no. 52/26/CAB – 2010 the Company has appointed M/s. Nageswara Rao & Co., Cost Accountants, Secunderabad as the Cost Auditors for conducting audit of Cost Accounting Records in respect of steel products manufactured by the Company for the year 2011-12. The approval of the Central Government for the appointment has been received. The Company has reappointed them as Cost Auditors for the financial year 2012-13.

Cost accounting records for the year ended 31st March, 2012 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.

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

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

26. Explanations to qualifications in Auditors' Report:

The Statutory Auditors of the Company M/s Deloitte Haskins & Sells have made the following comments in their report for the year 2011-12.

Auditors Comments:

1. Paragraph (viii) (b) in Annexure to the Audit Report, details of undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and Other material statutory dues which were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable are given below:

Nature of Statute	Nature of Dues	Amount (Rupees in Lakhs)	Year to which the amount relates	Due date	Date of Payment
Income Tax Act, 1961	Income Tax	192.87	2011-2012	June 15, 2011 and September 15, 2011	Not paid

Company Explanation:

The Company is in the process of amalgamation of the companies i.e. M/s Lakshmi Gayatri Industries Private Limited, M/s Glade Steel Private Limited, M/s Sri Ganga Steel Enterprises Private Limited and M/s Topaz Steel India Limited with Sujana Metal Products Limited w.e.f 1.10.2009. The Scheme under

the consideration of the Honorable High Court of Andhra Pradesh, upon the scheme of amalgamation which is becoming effective, no liability is arises.

2. Paragraph (viii) (c) in Annexure to the Audit Report , details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below:

Name of the Statute	Financial Year to which matter pertains	Amount (Rupees in Lakhs)	Forum where matter is pending
Income Tax Act, 1961	2008-2009	837.08	Asst. commissioner of Income Tax
Central Excise Act, 1944	1995-2009	1209.90	Custom Excise & Service Tax Appellate Tribunal Commissioner of Customs (Appeals)
	1995-1997	1.00	
Customs Act, 1962	1998-1999	306.28	Commissioner of Customs (Sea Port) Custom Excise & Service Tax Appellate Tribunal
	2008-2009	214.90	
Foreign Exchange Regulation Act, 1973	1995-1996	530.00	Hon'ble High Court of Delhi
APGST Act, 1957	2002-2003	438.13	Sales Tax Appellate Tribunal Commercial Tax Officer.
	2003-2004	786.88	
Central Sales Tax Act, 1956	2005-2008	51.91	Appellate Deputy Commissioner Hon'ble High Court of Andhra Pradesh and Appellate Deputy Commissioner
	2006-2007	241.34	
Tamilnadu Value Added Tax Act, 2006	2006-2007	194.92	Hon'ble High Court of Tamilnadu

Company Explanation:

As the liabilities are disputed and the matters are pending with the respective statutory authorities, the Company has not remitted the same. The Company has taken an opinion from leading tax practitioners' who are in respective fields and opined that the Company has a good chance of getting favorable verdict in all these cases. However, the same were disclosed as contingent liabilities in the notes on accounts of financial statements.

27. Appreciations:

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

BY ORDER OF THE BOARD

PLACE: Hyderabad
DATE: 16.07.2012

R.K.BIRLA
MANAGING DIRECTOR

S.HANUMANTHA RAO
DIRECTOR (FINANCE)

SUJANA METAL PRODUCTS LIMITED

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1976 and forming part of the Directors' Report for the year ended 31st March, 2012.

Name of the Employee	Age	Designation	Remuneration Received (Rs in Lakhs)	Qualifications	Experience (In Years)	Date of Commencement of Employment	Last employment held
R.K. Birla	60 years	Managing Director	92.15	Bachelor Degree Course in Arts and Master of Business Administration (MBA) from BITS Pilani	39 years	05.05.1992	Poddar Products Limited as Chief Executive Officer

Notes:

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

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 relating to subsidiary Companies.

Serial No.	Particulars	Glade Steel Private Limited	Asian Tide Enterprises Limited	Alpha Ventures Limited
1	Financial Year of the Company	31.03.2012	31.03.2012	31.03.2012
2	(a) Number of Shares held by the Company at the end of the financial year of the Subsidiary Company	674514	24907000	5010000
	(b) Extent of interest of holding Company at the end of the financial year of the Subsidiary Company	51.15%	100%	100%
3	Net aggregate amount of profit/losses of the subsidiary for the above financial year of the subsidiary not dealt within the Company's Accounts			
	(a) for the financial year of the subsidiary – Profit /Loss	0.47	(1123.45)	3385.07
	(b) For the previous financial years since it became subsidiary	(660.04)	29.67	1440.08
4	Net aggregate amount of profit/losses of the subsidiary for the above financial year of the subsidiary dealt within the Company's Accounts			
	(a) for the financial year of the subsidiary – Profit /Loss	-	-	-
	(b) For the previous financial years since it became subsidiary	-	-	-



The Financial year of the Holding Company is coinciding with the financial year of the subsidiary companies. Hence, the information under Section 212(5) of the companies Act, 1956 is not required to be provided.

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

(Rs.in Lakhs)

Name of the Subsidiary	Share capital	Reserves	Total Liabilites	Total Assets	Investment Included in total assets (Except for investment in subsidiaries)	Turnover	Profit before taxes	Provision for taxation	Profit after taxes	Proposed Dividend
Glade Steel Private Limited	1318.84	306.60	6155.38	6155.38	-	19914.49	10.55	10.07	0.47	--
Asian Tide Enterprises Ltd	11234.17	508.89	31533.50	31533.50	-	17830.78	(1108.81)	14.64	(1123.45)	--
Alpha Ventures Limited	2320.71	5626.42	20321.33	20321.33	-	23304.29	3385.07	--	3385.07	--

BY ORDER OF THE BOARD

PLACE: Hyderabad
DATE: 16.07.2012

R.K.BIRLA
MANAGING DIRECTOR

S.HANUMANTHA RAO
DIRECTOR (FINANCE)

SUJANA METAL PRODUCTS LIMITED

ANNEXURE - 1

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

A CONSERVATION OF ENERGY:

- a) Energy Conservation: : To achieve the savings in energy consumption, the Company has planned to install top and bottom fired furnace along with equivalent double stage gas fire in all three divisions i.e Hyderabad, Vizag and Chennai.
- b) Additional investment and proposals if any, being implemented for reduction of consumption of energy: : Rs.1000 lakhs.
- c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production: : Replacement of furnace oil with coal and 30% will be saved against cost of fuel per MT.
- d) Total energy consumption and energy consumption per unit of production: : As per Form A.

B. TECHNOLOGY ABSORPTION:

- e) Efforts made in technology absorption: : As per form B.

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: . : Initiating growth plan to expand in overseas Countries through wholly owned subsidiary companies named Alpha Ventures Limited, Cayman Islands and Asian Tide Enterprises Limited, Hongkong by investing into these companies as equity
- g) Total foreign exchange earned and used : : Earned : Rs.27,016.91 lakhs and used for import of raw material and traded goods and traveling : Rs.29,694.77 lakhs.

SUJANA METAL PRODUCTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1. Industry Structure and Developments:

The Indian Steel Industry has entered into a new development stage riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel and the largest producer of sponge iron or DRI in the world. India's real consumption of steel recorded a growth of 4.4% during April-December 2011 over same period of last year. However, despite some positive influence, overall steel consumption growth in the country was subdued because of steep decline in growth in end use sectors and slow growth in GDP. Sourcing of Raw material has turned into a major bottleneck for the Steel Industry apart from rising input costs with sustained rise in inflation and consequent high interest cost. With Government passing the land acquisition bill and mining bill, the country's steel industry is likely to regain stability.

In 2011 the world crude steel production reached 1527 million tones (mt) and showed a growth of 6.8% over 2010. China remained the largest crude steel producer in the world. Steel production in Asia was around 988 million tones registering a growth of 7.9 % over last year.

Indian Steel Industry has grown from a production of 2 million tones crude steel in 1951 to nearly 67 million tones in 2010. The world steel Association, a premiere global steel producer's association in its annual meet held in Paris during October 2011 has projected a growth of 7.9% for the Indian steel industry in 2012. The Indian steel industry plays an important role in the country's economic growth. Consumption of Steel is taken to be an indicator of economic development. Growth of the Indian Steel Industry looks positive but the performance was slow during April- December 2011. This was because of efforts of government

to check the sustained rise in inflation. The frequent increase in lending rates, made with the object to contain inflation, have resulted in a high cost of capital. Indian steel industry faces the critical dilemma of increasing cost of funds, which tends to impact margins as well as capital expenditure plans.

The engineering industry in India manufactures a wide range of products, with heavy engineering goods accounting for bulk of the production. The development of Engineering Industry depends upon the development of core sectors and the infrastructure sector. The Engineering Segment is highly competitive in view of tough competition from foreign companies/agencies and giant public/private sector undertakings.

Market Size

Indian crude steel production will grow at a compound aggregate growth rate (CAGR) of around 10 per cent during 2010-13, as per the RNCOS research report titled, 'Indian Steel Industry Outlook to 2012'. The new applications will further increase the steel consumption in India, according to the RNCOS research report. The report estimates that the finished steel consumption will grow at a CAGR of around 12 per cent during FY 2012 - FY 2014.

The Indian steel producers have signed 222 memorandum of understanding (MoUs) with the State Governments for a planned capacity addition of about 275.7 30 million tonnes (MT) by 2020.

Government Initiatives

The Union Budget 2012- 13 is a pragmatic and growth-oriented one. "Infrastructure sector has been given due thrust in the budget. Doubling the infrastructure tax-free bond amount to Rs 60,000 crore (US\$ 11.54 billion)," reaffirming investment of Rs 50,000 billion (US\$ 961.54 billion) in infrastructure sector in 12th Plan are steps that present a scenario conducive for growth of steel industry, said C S Verma, Chairman, SAIL.

The main highlights of the Union Budget 2012-13 for the steel industry was the

proposal to reduce basic customs duty on plant and machinery imported for setting up or substantial expansion of iron ore pellet plants or iron-ore beneficiation plants from 7.5 per cent to 2.5 per cent. The other proposals relating to the steel sector are as under:

- ❖ To reduce basic customs duty on
 - * Coating material for manufacture of electrical steel from 7.5 per cent to 5 per cent
 - * Nickel ore and concentrate and nickel oxide/ hydroxide from 2.5 per cent or 7.5 per cent to Nil
- ❖ To enhance export duty on chromium ore from Rs 3,000 per tonne to 30 per cent ad valorem
- ❖ To enhance basic customs duty on non-alloy, flat-rolled steel from 5 per cent to 7.5 per cent

Some other initiatives taken by the Government include the following:

- ❖ 100 per cent foreign direct investment (FDI) through the automatic route is allowed in the sector
- ❖ Large infrastructure projects in Public-Private Partnership (PPP) mode are being formed
- ❖ Government is encouraging research and development (R&D) activities in the sector
- ❖ Reduced custom duty and other favourable measures
- ❖ Government of India has framed the National Steel Policy (NSP) to encourage the steel industry to reach global benchmarks in terms of quality, cost and efficiency

Road Ahead

The Indian Government's support to infrastructure development in both rural and urban cities has been creating a significant demand for steel. 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.

Construction and infrastructure is the largest consumer of steel in India, accounting for 61 per cent of total consumption in 2010. The Government expects steel production to rise to 100 MTPA by 2019-20.

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.

Exchange Rate Used: INR 1 = 0.01935 USD.

2. Opportunities, Threats and Future Outlook:

The Indian Steel Industry is poised for greater growth which will catapult India to the league of the highest Steel consuming nations of the world. The New Industrial policy has opened up the Indian Iron and Steel Industry for private investment by exempting it from compulsory licensing. While most of the existing units are being modernized, a large number of new steel plants have also come up in different parts in the last few years.

Opportunities:

- Growing domestic Demand, Unexplored rural market and Rapid Urbanisation.
- Increasing consumption of steel in all sector and also in Eleventh Five year plan (2007-12) has allocated investment of USD 490 Billion for core Infra sector such as power, road, railways, ports & airports.
- Strong growth in steel heavy industry eg: the automotive industry & within the infrastructure, oil & gas.
- Rising cost of coal & crude oil resulted in use of gas. companies are investing in pipeline network for gas and Setting up refineries in pipeline network.

SUJANA METAL PRODUCTS LIMITED

- Fourth largest Iron ore reserves after Russia, Brazil & Australia and also Third largest Pool of technical manpower next to USA & USSR.
- Increase investment by state government in water & sewage pipes.
- Pre-Engineered building (PEB) in industrial, construction, gained popularity.
- With the improvement in the economic recessions in the west, the potential for growing demand is high.
- Indian Steel producer looking for overseas acquisitions in steel as well as raw material and also Increasing interest of foreign steel producers in India.

Threats:

- China becoming net exporter
- Protection is in the west
- Dumping by competitors
- Global economic slow down
- Market Fluctuation
- Higher Duties & taxes on production
- Technological change/ obsolescence
- Low import duty on steel
- Substitute : Steel being replaced by Aluminum in Auto Industry
- Increase in power tariff.

Outlook: The outlook for the domestic steel industry looks positive. The country has acquired a central position on the global steel map with its giant steel mills, continuous modernization & up gradation of old plants, improving energy efficiency, and backward integration into global raw material sources. However the challenges before the Indian steel industry and the emerging economies are also serious and need immediate attention. Rising prices of key raw materials like iron ore and coking coal, inflationary pressure, seasonal fall in demand for automobile and white goods, stock market crash etc have also posed certain threats. In spite of this the future of steel industry indeed lies in India which is blessed with abundant mineral resources

including iron ore and non-coking coal. With acquisition of coking coal mines by Indian companies in countries like South Africa and Australia, India is claiming her rightful place as the second largest steel producer in the League of Nations.

3. Risks perception:

The domestic steel industry always runs on risk of normal industry cycle such as :

- Unremunerative Prices
- Endemic deficiencies (poor quality of coal)
- High cost of capital
- Low labour productivity
- High cost of Basic Input & Services
- Poor quality of Basic infrastructure like road, port, etc
- Lack of expenditure in R & D
- Delay in absorption in technology by existing units.
- Low quality of steel & steel Products
- Lack of facilities to produce various shapes & quality of finished steel on demand
- Limited access to good quality of iron ore normally earmarked for exports.
- High level of taxation
- Energy supply
- Inefficient transport system

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.

4. 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. 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.

5. Discussion on Financial Performance with respect to operational performance:

We have achieved an annualized growth of 25.32 % in annual revenues, recording Rs.356169.01 Lakhs for the year 2011-12 as against 426298.83 Lakhs (Annualized revenue Rs.284199.22 Lakhs) in the previous financial period 2009-11 (consisting of 18 months). The net profit before tax stood at Rs. 2531.98 Lakhs in 2011-12 as against Rs. 6537.91 Lakhs (annualized profit before tax Rs. 4358.61 lakhs) in the previous financial period 2009-11 (consisting of 18 months).

Highlights of the Financial Results:

1. Share Capital

- At present, we have two classes of shares
- Equity shares of face value of Rs. 5/- each
- Preference Shares of Rs. 100/- each

Authorised capital:

As on the date of this report, the Authorized Share Capital of the Company is Rs. 200,00,00,000 (Rupee Two Hundred Crores only) divided into 32,00,00,000 (Thirty Two Crores only) Equity Shares of Rs. 5/- each and 40,00,000 (Forty Lakhs only) Preference Shares of Rs. 100/- each.

Movement in Paid-up Capital:

There is no Movement of the paid-capital during the financial year from 01.04.2011 to 31.03.2012 .

Reserves & Surplus:

In 2011-12 year, the reserves stand at Rs. 63925.44 Lakhs against Rs.59073.71 Lakhs in 2009-11. The increases in reserves are Rs 4851.73 lakhs. The increase in reserves is on account of capital reserve generated of Rs. 2786.14 lakhs on account of acquisition of one of the unit of Handum Industries Limited through slump sale and balance represents current year profit.

Long Term Borrowings:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Long Term Borrowings	27667.80	30875.35	(3207.55)	(10.39%)

Long term borrowings are decreased by Rs.3207.55 lakhs due to repayment of term loans taken for expansion as per repayment schedule.

Short Term Borrowings:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Short Term Borrowings	55726.14	61146.58	(5420.44)	(8.86%)

Short term borrowings decreased from Rs. 61146.58 lakhs to Rs. 55726.14 lakhs due to repayment of unsecured loans and short term loans during the year.

Net Worth:

The net worth of the Company as on 31st March, 2012 (consisting of 12 months) is Rs.75236.35 lakhs against Rs.70384.68 lakhs

SUJANA METAL PRODUCTS LIMITED

in 2009-11 (consisting of 18 months). The increase in the Net worth is about Rs. 4851.73 lakhs when compared to net worth at the end of previous financial year.

Fixed Assets:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Tangible assets	48507.32	43231.85	5275.47	12.20%
Capital work-in-progress	6168.01	789.43	5378.58	681.32%
Total	54675.33	44021.28	10654.05	693.52%

Net block increased mainly during the year due to capitalization of machineries purchased for expansion at various units.

Non Current Investments:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Non Current Investments	14229.39	681.19	13548.20	1988.90%

Infusion of share capital in wholly owned subsidiaries was Rs.13548.20 Lakhs.

Long-term loans and advances:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Long-term loans and advances	6440.91	34682.38	(28241.47)	(81.43%)

Loans and advances decreased by Rs.28241.47 lakhs from Rs. 34682.38 lakhs in 2009-11 to Rs.6440.91 lakhs in 2011-12. The decrease was majorly due to unsecured loan of Rs.13548.20 lakhs given to wholly owned subsidiaries converted into share capital and decrease in capital advances by Rs.14406.76 lakhs on account of capitalization.

Short-term loans and advances:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Short-term loans and advances	34717.10	39441.17	(4724.07)	(11.98%)

The decrease in short term loans and advances is due to receipt of material for the advance made in earlier period to trade suppliers.

Trade Receivables:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Total Debtors	108442.45	86891.44	21539.80	24.79%
Less: Provision for doubtful debts	(580.94)	(599.72)	(18.78)	(3.13%)
	107861.51	86302.93	21521.02	21.66%

Increase in trade receivables is majorly due to increase in sales and increase in customer base. The average trade receivables i.e. collection period, in terms of number of days as on 31 March 2012 was 110 days, compared to 111 days as on 31 March 2011.

Trade Payables:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Trade Payables	45134.34	40167.56	4966.78	12.37%

Trade payables increased by Rs.4966.78 lakhs majorly due to increase in purchase of materials.

Inventories:

(Rupees in Lakhs)

	2011-12	2009-11 (18 Months)	Change	Change %
Raw Materials	3225.14	1767.65	1457.49	82.45%
Goods-in-transit	-	0.87	(0.87)	-100%
Finished goods	2705.30	1816.36	888.94	48.94%
Goods-in-transit	-	68.57	(68.57)	-100%
Stock in trade	9305.87	5558.73	3747.14	67.41%
Stores and spares	1006.24	973.02	33.22	3.41%
Total	16242.55	10185.2	6057.35	2.21%

The average inventory holding in terms of number of days as on 31 March 2012 was 16 days vis-à-vis 13 days as on 31 March 2011. The increase in inventory is on account of increase of raw material stock and traded stock on account of order book.

6. Segment Wise Performance & Geographical Information:

The Company primarily engaged in the business of manufacturing sales and Trading sales of Iron & Steel products. The Company has identified two primary business segments,

namely manufacture steel and Trade Steel & Steel products, which in the contest of accounting standard- 17 on “Segment Reporting” constitute reportable segments.

7. 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.

8. 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. Sujana Metal Products Limited 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 are recruited 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. The Company has taken numerous initiatives for leadership development.

9. 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.

SUJANA METAL PRODUCTS LIMITED

REPORT ON CORPORATE GOVERNANCE

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

I. The Company's Philosophy on Corporate Governance

Corporate Governance at Sujana Metal Products Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company's philosophy is that Corporate Governance is the application of ethical business practices with all stakeholders coupled with compliance of law. The Company has all along believed in and practiced fair business and corporate practices with all its stakeholders and associates.

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.

At 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.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing agreement, the details of which are given below:

II. Board of Directors

(i). *Composition of Board of Directors*

The Company has a balanced mix of Executive and Non-Executive Independent Directors to maintain the independence of the board and to separate the board functions of governance and management. As at 31.03.2012, the Board of Directors comprises of 8 (Eight) Directors, out of which one (1) is Managing Director, two (2) are Promoter and Non-Executive Directors, Three (3) of them are Independent and Non-Executive Directors, one(1) is Executive Director and one (1) is a Nominee Director. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

The Chairman is Non-Executive and Promoter of Company. The number of Independent Directors is 4 which is in compliance with the requirements of Clause 49 of the Listing agreement. The number of Non-Executive Directors is more than 50% of the total number of Directors.

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

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.

The details of composition of the Board as at 31.03.2012, the attendance record of the Directors at the Board Meetings held during the financial year 2011-12 and at the last Annual General Meeting(AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given below:

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	Director	0	Yes
2.	Shri R.K. Birla	Executive Director	Managing Director	5	No
3.	Shri J. Ramakrishnan	Independent & Non-Executive Director	Director	4	No
4.	Dr. V. Malakonda Reddy	Independent & Non-Executive Director	Director	5	Yes
5.	Shri S. Hanumantha Rao	Executive Director	Director (Finance)	5	Yes
6.	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	Director	5	Yes
7.	Dr. K. Srinivasa Rao	Independent & Non-Executive Director	Director	3	Yes
8.	Shri Ashok Kumar De	Nominee from IDBI	Director	4	No
9.	Sri N. Srikrishna (Resigned w.e.f. 23.01.2012)	Independent & Non-Executive Director	Director	4	Yes

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*	--	4
2	Shri R.K. Birla	--	3	--	--
3	Shri J. Ramakrishnan	--	1	1	5
4	Dr. V. Malakonda Reddy	--	2	--	--
5	Shri S. Hanumantha Rao	--	14*	2	7
6	Shri G. Srinivasa Raju	--	10*	2	6
7	Dr. K. Srinivasa Rao	--	1	1	2
8	Shri Ashok Kumar De	--	1	--	1
9.	Sri N. Srikrishna (Resigned w.e.f. 23.01.2012)	--	--	--	-

* including Private Limited Companies & Overseas Companies

Change in Composition of Board of Directors since the date of last AGM held on 24.09.2011:

Shri N.Srikrishna resigned from the Board of Directors with effect from 23.01.2012

(ii) 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 is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

SUJANA METAL PRODUCTS LIMITED

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.

A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company.

Five (5) Board Meetings were held during the year 2011-12 and the gap between two meetings did not exceed three months. The dates on which the Board Meetings were held were as follows:

30th May, 2011, 10th August, 2011, 29th August, 2011, 11th November, 2011, and 14th February, 2012.

Board Meetings are usually held at the registered 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. Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

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

The Board is given presentations covering Global Steel Scenario, Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary performance and Risk Management practices before taking on record the Quarterly/Half yearly/ Nine Monthly/Annual financial results of the Company.

All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/ approval/ decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee Meetings.

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 meeting. 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

(i) *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:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, 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.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
 12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, such other matters in connection with and incidental thereto in compliance with the listing agreements entered with the Stock Exchanges.

(ii) Composition and Procedure of the Audit Committee

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

SUJANA METAL PRODUCTS LIMITED

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 of Four (4) members, out of which Three (3) are independent and non-executive directors and one (1) Executive Director. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement.

Five (5) meetings of Audit Committee were held during the financial year 2011-12, as against the minimum requirement of four meetings. The details are as follows:

Dates on which the Audit Committee meetings were held are as follows:

30th May,2011, 10th August, 2011, 29th August, 2011, 11th November, 2011, and 14th February, 2012.

The necessary quorum was present at the meetings.

The Constitution of the Committee as at 31.03.2012 and the attendance of each Member are as given below:

Sl. No.	Name of the Member	Designation	No. of Meetings attended
1**.	Dr. K.Srinivasa Rao	Member & Chairman	3
2.	Shri S. Hanumantha Rao	Member	5
3.	Dr.V.Malakonda Reddy	Member	5
4***.	Shri Ashok Kumar De	Member	1
5*.	Shri N. Srikrishna	Member & Chairman	4

Change in Composition of Audit Committee since the date of last AGM held on 24.09.2011 :

* Shri N.Srikrishna resigned from the Board of Directors with effect from 23.01.2012

* Re-constituted the Audit committee with effect from 14.02.2012

** Dr.K.Srinivasa Rao was appointed as Chairman of the Audit Committee with effect from 14.02.2012.

*** Shri Ashok Kumar De was appointed as member of Audit Committee with effect from 14.02.2012

Shri N.Srikrishna, Chairman of the Audit Committee was present at the 21st Annual General Meeting held on 24th September, 2011.

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.

IV. Remuneration Committee

(i). Scope of the Remuneration Committee

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

(ii). Composition and other details of the Remuneration Committee

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

The existing Committee comprises of:

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

There was no change in the composition of Remuneration Committee since the date of last AGM held on 24.09.2011

One Remuneration Committee meeting was held on 11.11.2011

The necessary quorum was present at the meeting.

(iii). Remuneration Packages paid to Executive Directors during the year:

Name	Salary P.A. (Rs in lakhs)	Commission/ Incentives P.A. (Rs in lakhs)	Deferred Benefits (Perquisites) (Rs in lakhs)	Others (Rs in lakhs)	Total (Rs in lakhs)
Shri R.K.Birla	92.15	--	--	--	92.15
Shri S. Hanumantha Rao	9.60	--	--	0.60	10.20

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.

The Company is proposing to have a plan for continuous appraisal of various parameters to analyze the performance of the Directors and Key Managerial Persons and to decide the annual compensation to be paid to them.

Sitting Fee details:

Sl. No	Name of the Director	Sitting fee paid During the year
1	Dr. K. Srinivasa Rao	60,000
2	Dr.V.Malakonda Reddy	100000
3	Shri J. Ramakrishnan	40,000
4	Shri N. Srikrishna	80,000
5	Shri Ashok Kumar De	50,000
	Total	330,000

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

SUJANA METAL PRODUCTS LIMITED

(iv). Shareholding of Directors as on 31.03.2012:

The following table sets out the shareholdings of the Directors in the Company as at 31 March 2012:

Name of the Director	Designation	No. of Shares held
Shri Y.S.Chowdary	Chairman	5,700,629
Shri R.K.Birla	Managing Director	0
Shri S.Hanumantha Rao (as trustee)	Executive Director	7
Shri G.Srinivasa Raju	Promoter Director	0
Shri J.Ramakrishnan	Independent and Non-Executive Director	0
Dr.V.Malakonda Reddy	Independent and Non-Executive Director	0
Dr.K.Srinivasa Rao	Independent and Non-Executive Director	0
Shri Ashok Kumar De	IDBI Nominee	0

V. Shareholders' Grievance Committee

(i) Scope of the Shareholders' Grievance Committee

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

(ii) Constitution and Composition of the Shareholders' Grievance Committee

The Shareholders' Grievance Committee of your Company comprises of three (3) members.

No Shareholders' Grievance Committee Meeting was held during the financial year 2011-12.

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

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

(iii) Name and Designation of the Compliance Officer

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

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

Nature of queries/complaints	Received	Resolved	Un resolved
No.of requests for change of Address	5	5	--
Advice procedure for name deletion/duplicate	-	-	--
No.of requests for transmission	4	4	--
Non receipt of Annual Reports	-	-	--
Duplicate Certificate Requests letters	-	-	--
Exchange of share certificates	-	--	--
Non receipt of Demat Rejected Share certificates	1	1	--
Miscellaneous Letters	21	21	--
TOTAL	31	31	--

(v). No. of Pending Transfers

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

VI. Share Transfer Committee

The share transfer committee comprises of Shri Y.S.Chowdary, Shri G.Srinivasa Raju and Shri R.K.Birla. Shri G.Srinivasa Raju is the Chairman of the Committee. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the Share Transfer Committee met 10 (Ten) times.

VII. Management Committee

The Management Committee comprises of Shri Y.S.Chowdary, Shri G.Srinivasa Raju, Shri R.K.Birla and Shri S.Hanumantha Rao. The role, terms of reference, the authority and powers of the management committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the management committee met 26 (twenty six) times.

VIII. (i) General Body Meetings :

Details of Last three AGMS held

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Location	Time	Details of special resolutions
1.	21 st A.G.M	24 th September, 2011	“Kohinoor”, Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500034.	11.30 A.M	<ol style="list-style-type: none"> 1. Re-appointment of Shri S.Hanumantha Rao, Director (Finance) of the Company. 2. Amendment to Articles of Association of the Company 3. Increase of authorised share capital of the company from Rs. 200 crores to Rs. 250 crores. 4. Issue of further equity shares and /or any securities linked to, convertible into or exchangeable for equity shares for an aggregate amount not exceeding Rs. 500 crores.
2.	20 th A.G.M	27 th March, 2010	Plot Nos. 10,11 & 12, Survey No.172, Bollaram Village, Jinnaram Mandal, Medak Dist, Andhra Pradesh.	11.30 A.M	No special resolution was passed.
3.	19 th A.G.M	27 th February, 2009	Plot Nos. 10,11 & 12, Survey No.172, Bollaram Village, Jinnaram Mandal, Medak Dist, Andhra Pradesh.	11.30 A.M.	<ol style="list-style-type: none"> 1. To appoint Shri N. Sri Krishna as Director 2. To re-appoint Shri R.K Birla as Managing Director 3. To fix remuneration of Shri R.K Birla

SUJANA METAL PRODUCTS LIMITED

- (ii) No Extra-ordinary General Meeting of the shareholders was held during the year.
- (iii) Details of special resolution passed in the last year through postal ballot – Nil.
- (iv) Details of special resolution which is proposed to be passed through postal ballot :

Details of resolution proposed to be passed through Postal Ballot	Type of the Resolution	Details of Scrutinizer for the Postal Ballot
To make any loan and/or to make investment and/or to give any guarantee and/or to provide security U/S 372A of the Companies Act, 1956.	Special Resolution for the said purpose has been set out as no.6 in the notice of 22 nd Annual General Meeting.	Shri Y.Ravi Prasada Reddy Practising Company Secretary FCS No. 5783 C.P.NO. 5360
To lease, or transfer the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956.	Ordinary Resolution for the said purpose has been set out as no.7 in the notice of 22 nd Annual General Meeting.	
To shift the Registered Office of the Company from the state of Andhra Pradesh to Tamilnadu	Special Resolution for the said purpose has been set out as no.8 in the notice of 22 nd Annual General Meeting.	
Note: Procedure for exercising the voting rights by the members of the Company through postal ballot is explained in page no. 112		

IX. Disclosures:

(i) **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 30 to the Annual Accounts for the year ended 31.03.2012.

(ii) **Details of Statutory Non-compliances:**

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

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

(iv) **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 2012-13.

(v) **Adoption of non mandatory requirements:**

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

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

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

The Company has adopted a Code of Conduct as required under Clause 49(I)(D) of the Listing

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

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

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

(iii) Clause 49(IV)(E)

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

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

(iv) Management Discussion and Analysis Report

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

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

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

(vi) Clause 49(V):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 elsewhere in this Annual Report.

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

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

XI. Means of Communication

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

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

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

SUJANA METAL PRODUCTS LIMITED

(iv) **Company's Corporate Website :**

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

(v) **NSE Electronic Application Processing System (NEAPS):**

NEAPS is a web based application designed by NSE for corporates. The Shareholding pattern and Corporate Governance Report are also filed electronically on NEAPS.

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

(vii) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

XII General Shareholders Information

(i) **Details pursuant to the 22nd Annual General Meeting**

1.	Date	22nd September, 2012
2.	Time	11.30 a.m
3.	Venue	At "Kohinoor", Taj Deccan, Road No. 1, Banjara Hills, Hyderabad-500 034, Andhra Pradesh
4.	Financial year	2011-2012, (consisting of 12 months from 01.04.2011 to 31.03.2012)
5.	Book Closure Date	20th September, 2012 (one day only)
6.	Dividend Payment Date	Not Applicable

(ii) **Details pursuant to Listing of Securities:**

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

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, 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.
3. Madras Stock Exchange Limited
Exchange Building,
P.Box No:183, 11, 2nd Line Beach,
Chennai-600001.

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 2011-12 and 2012-13.

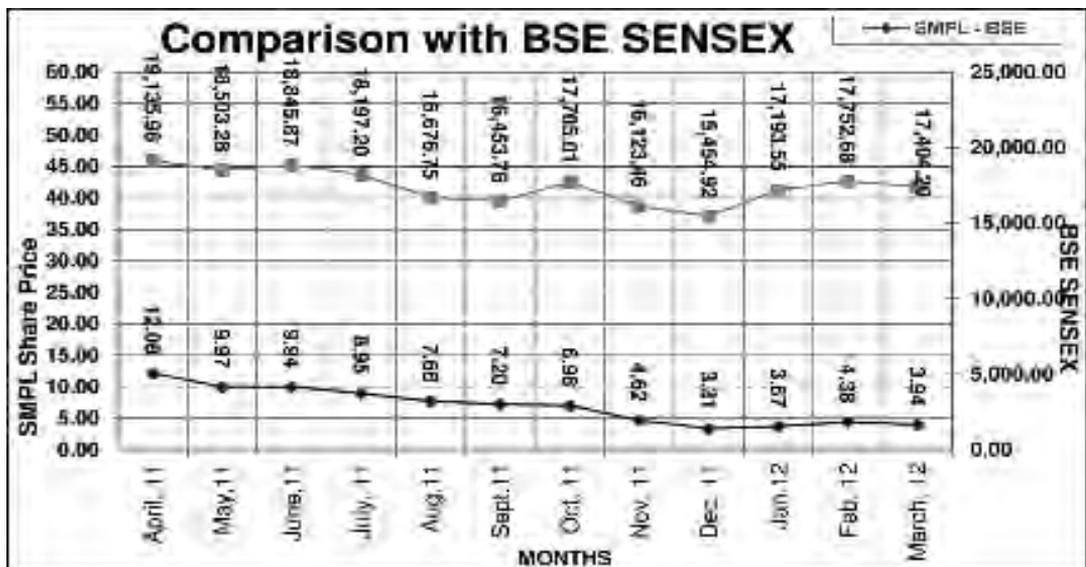
(iii) Stock Code/Symbol -

- (a) BSE Scrip Code/NSE Symbol : 513414/SMPL
- (b) Luxembourg Stock Exchange (LuxSE) ISIN Code : US86507T1034
- (c) Luxembourg Stock Exchange (LuxSE) Trading Code : US86507T1034
- (d) Demat ISIN in NSDL and CDSL for equity shares : INE215G01021
- (e) Corporate Identity Number (CIN) : L28120AP1988PLC008610

(iv) Market Price Data-

The monthly high and low stock prices during the financial year 2011-12 and performance in comparison to the Broad-based indices such as BSE-Sensex is provided hereunder.

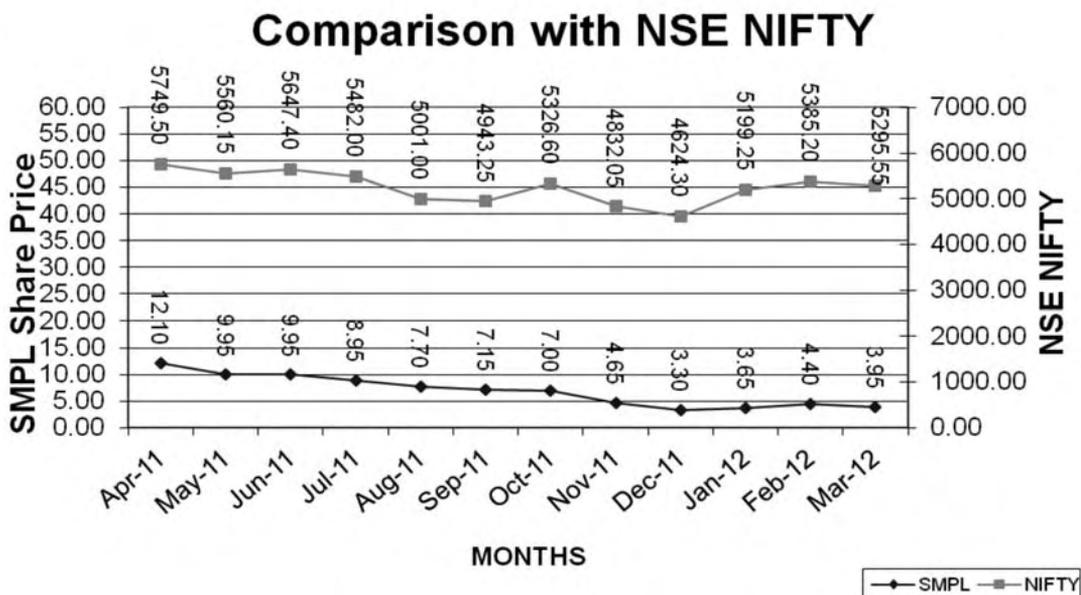
Month	High Price	Low Price	Close Price	BSE SENSEX
				(Closing)
April 2011	14.35	9.75	12.08	19,135.96
May 2011	12.24	9.35	9.97	18,503.28
June 2011	12.11	9.10	9.94	18,845.87
July 2011	11.45	8.85	8.95	18,197.20
August 2011	9.50	6.15	7.68	16,676.75
September 2011	8.75	7.11	7.20	16,453.76
October 2011	7.54	6.55	6.98	17,705.01
November 2011	9.10	3.81	4.62	16,123.46
December 2011	4.93	3.31	3.31	15,454.92
January 2012	4.05	3.00	3.67	17,193.55
February 2012	5.20	3.52	4.38	17,752.68
March 2012	4.75	3.75	3.94	17,404.20



SUJANA METAL PRODUCTS LIMITED

The monthly high and low stock prices during the financial year 2011-12 and performance in comparison to the Broad-based indices such as NSE-Nifty is provided hereunder.

Date	High Price	Low Price	Close Price	NSE-Nifty Closing
April-11	14.50	9.75	12.10	5749.50
May-11	12.20	9.50	9.95	5560.15
June-11	11.90	9.05	9.95	5647.40
July-11	11.35	8.85	8.95	5482.00
August-11	9.50	6.25	7.70	5001.00
September-11	8.70	7.10	7.15	4943.25
October-11	7.65	6.55	7.00	5326.60
November-11	9.15	3.80	4.65	4832.05
December-11	4.85	3.30	3.30	4624.30
January-12	3.95	2.75	3.65	5199.25
February-12	5.15	3.55	4.40	5385.20
March-12	4.55	3.75	3.95	5295.55



(v) Share Transfer System

Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently they are completing the process of transfer within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

(vi) Dematerialization of Shares

99.65% of the Company's Paid-up capital has been dematerialized upto 31.03.2012 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	99747768	50.80
CDSL	95919410	48.85
Physical	683703	0.35
Total	196350881	100.00

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

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

In compliance with the aforesaid circular of SEBI, 100% de-materialisation of Promoters & Promoter Group's shareholding was achieved well within the initially stipulated period of September 2011.

(vii) Distribution of Shareholding

As on 31st March, 2012, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
1. Upto - 5,000	8102532	4.13	26003	80.20
2. 5,001 - 10,000	3986249	2.03	2436	7.51
3. 10,001 - 20,000	4553850	2.32	1503	4.63
4. 20,001 - 30,000	4312583	2.20	853	2.63
5. 30,001 - 40,000	2377049	1.21	334	1.03
6. 40,001 - 50,000	3179974	1.62	332	1.02
7. 50,001-1,00,000	6956837	3.54	478	1.47
8. 1,00,001 and above	162881807	82.95	489	1.51
Total	196350881	100	32428	100

SUJANA METAL PRODUCTS LIMITED

(viii) Pattern of shareholding as on 31st March, 2012 (Face Value: Rs. 5/- each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	74076084	37.73
Financial Institutions/Banks	16320164	8.31
Foreign Institutional Investors	9600000	4.89
Body Corporate	29602224	15.08
Indian Public	53806409	27.40
Shares held by Custodians and against which Depository Receipts have been issued	12946000	6.59
Total	196350881	100

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

As on the date of this report:

12946000 equity shares underlying 1294600 Global Depository Receipts (GDRs) are outstanding for conversion.

(x) Reconciliation of Share Capital Audit Report:

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

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

(xi) Plant Location:

Hyderabad:

- (i) Survey No.296/7/9
- (ii) Plot No. 4, Survey No.296/7/7, 8 & 11,
- (iii) Survey No. 296/7/7, 296/7/8, 296/7/11
- (iv) Survey No. 296/7/7, 8 & 11, IDA Bollaram, Jinnaram Mandal, Medak District-502325, (A.P).
- (v) Survey No. 196 & 197, Parigi Road, Elikatta Village, Shadnagar, Mahaboobnagar District, Andhra Pradesh.
- (vi) Cut and Bend Division :
Survey No. 204, 205 & 206 Elikatta Gram Panchayat,
Farooq Nagar Mandal, Mahaboob Nagar District -5 09216, Andhra Pradesh.
- (vii) Trading Division :
Plot No. 4, Survey No. 296/7/7A, IDA Bollaram,
Jinnaram Mandal, Medak District-502325, Andhra Pradesh.

Chennai:

- (i) Survey No. 204/8B, Manjankaranai Village, Chengai, M.G.R. District - 620 502, Tamilnadu
- (ii) Plot No. B-20E, SIPCOT Industrial Complex, Gummidipondi, Chennai, Tamilnadu.
- (iii) 150, Vichur Road, Vichur Village, Ponneri Taluq, Tiruvellure District, Tamilnadu.

Visakhapatnam:

Sanivada Village, Rajeevnagar, Visakhapatnam-530046.

(xii) Address for Correspondence**Secretarial Department:**

No. 41, Nagarjuna Hills,
Panjagutta, Hyderabad-500 082.
Phone No.2335 1882.

Regd. Office and Corporate Office:

No. 41, Nagarjuna Hills,
Panjagutta, Hyderabad - 500 082.
Ph: 23351882, 23351887.

Registrars and Share Transfer Agents:

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

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

It is hereby confirmed that all board members and senior management personnel have affirmed compliance with the code of conduct, laid down by the Board of Directors, for the financial year 2011-12.

Place: Hyderabad
Date: 16.07.2012

R.K.Birla
Managing Director

SUJANA METAL PRODUCTS LIMITED

CEO & CFO CERTIFICATION

We, R.K.Birla, Managing Director & Chief Executive Officer and Shri VR Chary, 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 Financial year 2011-12 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial year 2011-12 which are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad

R.K.Birla

V.R. Chary

Date : 16.07.2012

Managing Director & Chief Executive Officer

Chief Financial Officer

Certificate on Corporate Governance

To

The Members of Sujana Metal Products Limited,

I have examined the compliance conditions of Corporate Governance by Sujana Metal Products Limited, Hyderabad for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

Place: Hyderabad

Y. Ravi Prasada Reddy

Dated: 16.07.2012

FCS No:5783, CP No:5360



AUDITORS' REPORT

TO THE MEMBERS OF

SUJANA METAL PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of **Sujana Metal Products Limited ("the Company")** as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors of the Company as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

Hyderabad
May 28, 2012

C R Rajagopal
Partner
(Membership No. 23418)

SUJANA METAL PRODUCTS LIMITED

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- i) Having regard to the nature of the Company's business/activities/result, clauses 4(v), (vi), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable to the Company.
- ii) In respect of its fixed assets:
 - a) The Company is in the process of harmonising its fixed asset register with a view towards reflecting full particulars including description, quantitative details and location / situation of its fixed assets.
 - b) The fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. In view of the fact that the fixed asset register is in the process of harmonising, management has informed that discrepancies, if any, arising between the assets verified and the books and records would be dealt with in the year in which such harmonisation of the register is completed.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii) In respect of its inventory:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except the system of documentation for such verification needs to be strengthened.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, additional strengthening of the internal control procedures with regard to purchases of inventory and fixed assets and for the sale of goods is recommended so as to be commensurate with the current size of the Company and nature of its business. However, in our opinion management is taking reasonable steps to correct the said weaknesses and we have not observed any other continuing failure to correct major weaknesses in internal controls.
- vi) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- vii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacture of steel products and are of the opinion that *prima*

facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

viii) According to the information and explanations given to us in respect of statutory dues:

- a) Except for delays in deposit of Provident Fund, Employee's State Insurance, Income-tax, Wealth Tax, the company has been regular in depositing undisputed statutory dues including Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable, except for the following:

Name of the Statute	Nature of the Dues	Amount (Rupees in lakhs)	Year to which the amount relates	Due date	Date of Payment
Income Tax Act, 1961.	Income Tax	192.87	2011-2012	June 15, 2011 and September 15, 2011	Not paid

- c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below:

Name of the Statute	Financial Year to which matter pertains	Amount (Rupees in lakhs)	Forum where matter is pending
Income Tax Act, 1961	2008-2009	837.08	Asst. commissioner of Income Tax
Central Excise Act, 1944	1995-2009 1995-1997	1209.90 1.00	Custom Excise & Service Tax Appellate Tribunal Commissioner of Customs (Appeals)
Customs Act, 1962	1998-1999 2008-2009	306.28 214.90	Commissioner of Customs (Sea Port) Custom Excise & Service Tax Appellate Tribunal
Foreign Exchange Regulation Act, 1973	1995-1996	530.00	Hon'ble High Court of Delhi
APGST Act, 1957	2002-2003 2003-2004	438.13 786.88	Sales Tax Appellate Tribunal Commercial Tax Officer.
Central Sales Tax Act, 1956	2005-2008 2006-2007	51.91 241.34	Appellate Deputy Commissioner Hon'ble High Court of Andhra Pradesh and Appellate Deputy Commissioner
Tamilnadu Value Added Tax Act, 2006	2006-2007	194.92	Hon'ble High Court of Tamilnadu

- ix) In our opinion and according to the information and explanations given to us, there have been delays in repayment of dues to banks and financial institution. Such delays have been summarized below

SUJANA METAL PRODUCTS LIMITED

indicating the maximum amount of delay and the maximum period reflected against each.

Banks	Maximum Amount of default (Rupees in lakhs)	Maximum period of default (Days)
IDBI		
Principal	135.32	89
Interest	35.67	90
Punjab National Bank *		
Principal	472.17	82
Interest	161.55	31
Andhra Bank *		
Principal	278.83	82
Interest	98.82	94
Bank of India *		
Principal	304.17	83
Interest	96.31	85
Indian Overseas Bank *		
Principal	181.38	75
Interest	61.22	43
The above delays have been made good by the Company and there were no overdue amounts at the year end.		
* The Company has applied for condonation of delay in payments.		
Financial Institution-SASF		
During the year there were delays in payments to SASF however the same could not be quantified as the Company is in re-schedulement of dues as explained in Note 41 of the financial statements.		

- x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institution are not *prima facie* prejudicial to the interests of the Company.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- xii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that, during the period *prima facie*, funds raised on short-term basis have not been used for long-term investment.
- xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

Hyderabad
May 28, 2012

C R Rajagopal
Partner
(Membership No. 23418)



BALANCE SHEET AS AT 31 MARCH 2012

Rupees in Lakhs

	Note No	As at 31 March 2012	As at 31 March 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	3	11,310.91	11,310.91
b) Reserves and surplus	4	63,925.44	59,073.71
		<u>75,236.35</u>	<u>70,384.62</u>
2. Non- current liabilities			
a) Long-term borrowings	5	27,667.80	30,875.35
b) Deferred tax liabilities (net)	6	6,169.14	6,183.21
c) Other long-term liabilities	7	8,706.63	85.21
d) Long- term provisions	8	207.11	216.55
		<u>42,750.68</u>	<u>37,360.32</u>
3. Current liabilities			
a) Short-term borrowings	9	55,726.14	61,146.58
b) Trade payables	10	45,134.34	40,167.56
c) Other current liabilities	11	19,439.53	10,845.63
d) Short-term provisions	12	2,566.83	2,734.36
		<u>122,866.84</u>	<u>114,894.13</u>
TOTAL		<u>240,853.87</u>	<u>222,639.07</u>
II ASSETS			
1. Non- current assets			
a) Fixed assets			
i) Tangible assets	13A	48,507.32	43,231.85
ii) Capital work in progress		6,168.01	789.43
		<u>54,675.33</u>	<u>44,021.28</u>
b) Non-current investments	14	14,229.39	681.19
c) Long-term loans and advances	15	6,440.91	34,682.38
		<u>75,345.63</u>	<u>79,384.85</u>
2. Current assets			
a) Current investments	16	4.21	79.92
b) Inventories	17	16,242.55	10,185.20
c) Trade receivables	18	107,861.51	86,302.93
d) Cash and bank balances	19	6,426.20	7,177.59
e) Short-term loans and advances	20	34,717.10	39,441.17
f) Other current assets	21	256.67	67.41
		<u>165,508.24</u>	<u>143,254.22</u>
TOTAL		<u>240,853.87</u>	<u>222,639.07</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

C R Rajagopal

Partner

Place: Hyderabad

Date: 28 May 2012

For and on behalf of the Board of Directors

R K Birla

Managing Director

S. Hanumantha Rao

Director- Finance

V R Chary

Chief Financial Officer

Shaik Ibraheem

Company Secretary

Place: Hyderabad

Date: 28 May 2012

SUJANA METAL PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

Rupees in lakhs

	Note No	For the year ended 31 March 2012	For the eighteen months period ended 31 March 2011
I. REVENUE			
Revenue from operations (gross)		361,223.77	436,169.81
Less: Excise duty		7,387.42	10,769.63
Revenue from operations (net)	22	353,836.35	425,400.18
Other income	23	2,332.66	898.65
Total revenue		356,169.01	426,298.83
II. EXPENSES			
Cost of materials consumed	24.a	66,679.10	66,126.82
Purchase of stock-in-trade	24.b	257,329.73	300,609.45
Change in inventories of finished goods, work in progress and stock- in-trade	24.c	(4,567.51)	9,950.79
Employee benefits expenses	25	2,342.04	2,971.98
Finance costs	26	17,228.30	19,430.77
Depreciation and amortisation expense	13A&13B	4,694.62	7,069.95
Other expenses	27	9,930.75	13,601.16
Total expenses		353,637.03	419,760.92
III. PROFIT BEFORE TAX (I-II)		2,531.98	6,537.91
IV. TAX EXPENSE:			
a) Current tax expense for current year		839.04	1,475.28
b) MAT credit relating to earlier years		(251.69)	-
c) Current tax credit relating to earlier years		(124.30)	-
d) Fringe benefit tax written back of earlier years		-	(1.67)
		463.05	1,473.61
e) Deferred tax		(14.07)	1,195.61
		448.98	2,669.22
V. PROFIT FOR THE YEAR/PERIOD (III-IV)		2,083.00	3,868.69
Earnings per equity share of Rs.5 each (Refer Note No.31)			
Basic Rs.		1.05	2.24
Diluted Rs.		1.05	2.15

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C R Rajagopal
Partner

Place: Hyderabad
Date: 28 May 2012

For and on behalf of the Board of Directors

R K Birla
Managing Director

V R Chary
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2012

S. Hanumantha Rao
Director - Finance

Shaik Ibraheem
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Rupees in lakhs

	For the year ended 31 March 2012	For the Eighteen months period ended 31 March 2011
Cash flow from operating activities		
Net profit before tax	2,531.98	6,537.91
Adjustments for:		
Depreciation and amortisation	4,694.62	7,069.95
Profit on sale of fixed assets (net)	(71.18)	(0.36)
Net unrealised exchange gain	(519.17)	(311.92)
Finance costs	17,228.30	19,430.77
Interest income	(540.42)	(360.94)
Loss on sale of current investment	-	1.01
Adjustments to the carrying amount of current investments	0.71	0.08
Provision for wealth tax	-	2.46
Dividend income on current investment	(2.99)	(0.75)
Operating profit before working capital changes	23,321.85	32,368.21
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(6,057.35)	10,614.68
Trade receivables	(16,341.88)	(28,012.02)
Long-term loans and advances	3.46	14.83
Short-term loans and advances	6,058.59	(16,680.08)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	4,797.09	13,306.82
Other current liabilities	7,112.99	(1,546.75)
Other long-term liabilities	8,522.28	-
Provision for employee benefits	49.22	92.71
Cash generated from operations	27,466.25	10,158.40
Net income tax paid	(396.72)	(1,497.01)
Net cash flow from operating activities (A)	27,069.53	8,661.39
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(6,329.06)	(26,719.16)
Receipt of capital advances	6,354.10	-
Proceeds from sale of fixed assets	160.75	698.59
Decrease in restricted cash	(372.83)	(1,846.52)
Purchase consideration on acquisition of a unit of Handum Industries Limited.	(1,900.00)	-
Advances given to subsidiaries	-	(13,581.35)
Advances realised from subsidiaries	33.16	-
Purchase of current investments	-	(705.00)
Proceeds from sale of current investment- mutual fund units	75.00	629.19
Income from current investments received	2.99	0.75
Interest received	351.17	421.15
Net cash used in investing activities (B)	(1,624.72)	(41,102.35)

SUJANA METAL PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Rupees in lakhs

	For the year ended 31 March 2012	For the Eighteen months period ended 31 March 2011
Cash flow from financing activities		
Proceeds from issue of share capital	-	5,717.29
Share premium received [Net of GDR issue expenses of Rs. Nil (31.03.2011:Rs.164.76 lakhs)]	-	20,707.93
Proceeds from long-term borrowings	-	32,679.89
Repayment of long-term borrowings	(3,883.11)	(6,601.45)
Repayment of short-term borrowings	(5,420.44)	(1,222.44)
Dividend paid including tax there on	(26.86)	(51.26)
Interest and other borrowing costs paid	(17,238.62)	(17,155.99)
Net cash (used in) / received from financing activities (C)	(26,569.03)	34,073.97
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(1,124.22)	1,633.01
Cash and cash equivalents at the beginning of the year/period	2,446.26	821.56
Exchange difference on translation of foreign currency cash and cash equivalents	-	(8.31)
Cash and cash equivalents at the end of the year/period	1,322.04	2,446.26

Notes:

1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.

2. Reconciliation of Cash and cash equivalents with Balance Sheet:

Cash and bank balances as per Balance Sheet (Refer Note 19)	6,426.20	7,177.59
Less : Balances in earmarked accounts		
- balance held as margin monies	5,104.16	4,731.33
Net cash and cash equivalents at the end of the year/period	1,322.04	2,446.26

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C R Rajagopal
Partner

Place: Hyderabad
Date: 28 May 2012

For and on behalf of the Board of Directors

R K Birla
Managing Director

V R Chary
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2012

S. Hanumantha Rao
Director- Finance

Shaik Ibraheem
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate Information

Sujana Metal Products Limited (SMPL) was incorporated on 02 May 1988 under the name of Sujana Steel Re-rolling Industries Private Limited. The name of the Company was changed to Sujana Steels Private Limited on 30 March 1992. The Company was converted into public limited Company on 20 April 1992. The Company further changed its name as Sujana Metal Products Limited w.e.f. 09 November 2001.

The Company was promoted by Sri Y.S.Chowdary, his associates and relatives. The Company was incorporated with an objective to manufacture steel re-rolled products. SMPL is into the business of manufacturing and marketing value added steel products. SMPL is categorized as a secondary steel producer in the industry.

SMPL is currently engaged in the business of manufacture and trading of steel products like Thermo Mechanically Treated (TMT) bars in different sizes, structural steels like MS Angles, MS Squares, MS Beams and MS Channels etc and smart steel of varying shapes and dimensions for the construction & infrastructure sectors.

2 Significant accounting policies

a. Basis of Preparation of Financial Statements

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

b. Use of Estimates

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

c. Fixed Assets and Depreciation and Amortisation

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

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

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d. Investments

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

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

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

e. Revenue Recognition

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

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

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

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

f. Inventories

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

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

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

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

g. Employee Benefits

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

Defined Benefit Plan

i) Gratuity

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

- covered partially through a recognised Gratuity Fund managed by Life Insurance Corporation of India and contributions are charged to revenue; and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

ii) **Compensated Absences**

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

Defined Contribution Plan

i) **Provident Fund**

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

h. **Foreign Currency Transactions and Translations**

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

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

i. **Borrowing Costs**

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

j. **Taxes on Income**

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

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

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

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

The carrying amount of deferred tax asset 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.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

k. Earnings per Share

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

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

l. Impairment of assets

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

m. Provisions, Contingent Liabilities and Contingent Assets

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 3: Share capital		
Authorised		
i) 320,000,000 (31.03.2011 : 320,000,000) Equity Shares of Rs.5 each	16,000.00	16,000.00
ii) 4,000,000 (31.03.2011:4,000,000) Preference Shares of Rs.100 each	4,000.00	4,000.00
Issued, subscribed and fully paid up		
i) 196,350,881 (31.03.2011:196,350,881) Equity Shares of Rs. 5 each	9,817.54	9,817.54
ii) 1,493,365 (31.03.2011:1,493,365) 1% Cumulative Redeemable Preference Shares of Rs.100 each	1,493.37	1,493.37
	11,310.91	11,310.91

Notes:

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

Particulars	Year ended 31 March 2012		Eighteen months period ended 31 March 2011	
	Number of shares	Rupees in lakhs	Number of shares	Rupees in lakhs
a) Equity (including shares represented by underlying GDRs)				
Shares outstanding at the beginning of the year/period	196,350,881	9,817.54	69,256,524	3,462.83
Shares issued during the year/period	-	-	127,094,357	6,354.71
Shares outstanding at the end of the year/ period	196,350,881	9,817.54	196,350,881	9,817.54
b) Cumulative Redeemable Preference Shares				
Shares outstanding at the beginning of the year/period	1,493,365	1,493.37	3,531,625	3,531.63
Shares redeemed during the year/period	-	-	2,038,260	2,038.26
Shares outstanding at the end of the year/period	1,493,365	1,493.37	1,493,365	1,493.37

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	%	No. of Shares held	%
a) Equity shares of Rs. 5 each fully paid				
Yalamanchili Finance & Trading Private Limited	26,766,585	13.63	40,197,747	20.47
Foster Infin and Trading Private Limited	25,000,000	12.73	25,000,000	12.73
Deutsche Bank Trust Company Americas	12,946,000	6.59	17,331,500	8.83
Stressed Assets Stabilisation Fund	12,759,682	6.50	12,759,682	6.49
Sujana Holdings Limited	10,000,000	5.09	10,000,000	5.09
b) Cumulative Redeemable Preference Shares of Rs.100 each fully paid				
IDBI Bank Limited	1,493,365	100.00	1,493,365	100.00

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
iii) 13,140,489 Equity shares issued as fully paid up to the share holders of erstwhile Sujana Steels Limited on its amalgamation with the Company, for consideration other than cash in the last five years immediately preceding the balance sheet date.		
iv) The Company has only one class of shares referred to as equity shares having a par value of Rs.5. Each holder of equity shares is entitled to one vote per share held (other than the shares represented by underlying GDR's which do not carrying a voting right). In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding. 12,946,000 (31.03.2011:17,331,500) equity shares represent the shares underlying outstanding Global Depository Receipts (GDRs). Each GDR represents 10 underlying equity shares.		
v) Redemption of Cumulative Redeemable Preference Shares (CRPS) 1,493,365 1% Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1,493.37 lakhs is redeemable in 12 quarterly installments co-terminus with principal payment commencing from 01 October 2013 and ending 01 July 2016. CRPS carry cumulative dividend @1% per annum. The Company declares and pays dividend in Indian rupees. In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount after distribution of all other preferential amounts, in proportion to their shareholding.		
Note 4: Reserves and surplus		
i) Capital reserve		
Opening balance	7,094.29	7,094.29
Add: Additions during the year/period (Refer Note No.43)	2,786.14	-
Closing balance	9,880.43	7,094.29
ii) CRPS redemption reserve		
Opening balance	1,007.36	1,007.36
Add: Additions during the year/period	248.89	-
Closing balance	1,256.25	1,007.36
iii) Securities premium account		
Opening balance	34,935.98	12,634.48
Add: Premium on shares issued during the year/period	-	22,466.26
Less: GDR issue expenses (Net of deferred tax asset Rs. Nil)	-	164.76
Closing balance	34,935.98	34,935.98
iv) General reserve	698.64	698.64
v) Surplus in statement of profit and loss		
Opening balance	15,337.44	11,497.99
Add: Profit for the year/period	2,083.00	3,868.69
Less: Appropriations		
Proposed dividend on CRPS	14.93	25.08
Dividend distribution tax	2.48	4.16
CRPS redemption reserve	248.89	-
Closing balance	17,154.14	15,337.44
	63,925.44	59,073.71



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 5: Long term borrowings		
Secured		
a) Term loans from		
i) Banks	21,679.16	27,166.56
ii) Financial institution (Refer Note No.41&43)	5,963.98	3,646.60
b) Vehicle loans from		
i) Banks	24.66	61.12
ii) Others	-	1.07
	27,667.80	30,875.35
Notes:		
i)	Term loan from banks viz. Punjab National Bank, Bank of India, Indian Overseas Bank, IDBI Bank and Andhra Bank are secured by first charge on all the immovable and movable fixed assets of the company both present and future and second charge on the current assets of the company. Further these loans are secured by personal guarantees and properties of certain directors.	
ii)	Terms of repayments are given below:	
a.	Loan taken from Punjab National Bank carries an interest rate of 17% p.a and is repayable in 21 quarterly installments of Rs.472.17 lakhs each.	
b.	Loan taken from Bank of India carries an interest rate of 15% p.a and is repayable in 21 quarterly installments of Rs.304.17 lakhs each.	
c.	Loan taken from Indian Overseas Bank carries an interest rate of 15% p.a and is repayable in 21 quarterly installments of Rs.181.38 lakhs each.	
d.	Loan taken from Andhra Bank carries an interest rate of 16.5% p.a and is repayable in 21 quarterly installments of Rs.278.83 lakhs each.	
e.	Loan taken from IDBI Bank carries an interest rate of 13.75% and is repayable in 18 quarterly installments of Rs.135.32 lakhs each.	
iii)	Term loan from financial institution viz. Stressed Assets Stabilization Fund (SASF) secured by first charge on all the immovable and movable fixed assets of the company and second charge on the current assets of the company. As per SASF letter dated 02 December 2010, Rs.3,051 lakhs is to be paid in cash of which an amount of Rs.600 lakhs was paid against the crystallized cash portion of the settlement amount and balance amount shall be payable in five equal monthly installments from the date of issue of letter of approval (LOA) which is 02 December 2010 and the balance restructured term loan of Rs.4,655 lakhs is to be converted into equity shares of Company as per SEBI Guidelines and 9% p.a interest shall be payable till date of conversion.	
iv)	Vehicle loans from banks and others are secured by hypothecation of the vehicles financed through the loan arrangements and are repayable over a period of 3 months to 35 months.	
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	6,570.82	6,575.54
Deferred tax asset:		
Provision for employee benefits	99.02	83.06
Provision for doubtful trade receivables, loans and advances	302.66	309.27
	401.68	392.33
	6,169.14	6,183.21
Note 7: Other long-term liabilities		
Security deposits	85.21	85.21
Trade payables	8,621.42	-
	8,706.63	85.21
Note 8: Long-term provisions		
Provision for Employee benefits (Refer Note No.28)	207.11	216.55
	207.11	216.55

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 9: Short-term borrowings		
Loans repayable on demand		
Secured		
From Banks	55,626.14	50,236.16
Unsecured		
From Others	100.00	10,910.42
	55,726.14	61,146.58
i) Loans repayable on demand include an amount of Rs. 55,026.14 lakhs (31.03.2011:Rs.45,436.16 lakhs) represent working capital loans from banks are inter alia secured by way of parri passu first charge on current assets and parri passu second charge on fixed assets both present and future. Further, these loans are secured by personal guarantee and properties of certain directors.		
ii) Loans repayable on demand also include an amount of Rs.600 lakhs taken from Punjab National Bank which is secured by pledge of fixed deposit amounting to Rs.696 lakhs.		
iii) Unsecured loans from others in the previous period include certain trade payables to the extent of Rs.9,780.42 lakhs, have been converted into unsecured loans after obtaining the consent from the payees. These unsecured loans are repayable within a period of one and half year and carries an interest at the rate of 6% per annum.		
Note 10: Trade payables		
<i>(Refer Note No.38 for details of dues to micro and small enterprises)</i>		
Acceptances	29,547.52	21,356.29
Other than acceptances	15,586.82	18,811.27
	45,134.34	40,167.56
Note 11: Other current liabilities		
Current maturities of long-term debt	9,635.85	8,143.11
<i>(Refer Note No.5 (i) to (iv))</i>		
Interest accrued but not due on borrowings	544.64	588.09
Interest accrued and due on borrowings	721.72	688.58
<i>(Refer Note below)</i>		
Other payables		
Statutory remittances	375.92	179.74
Payables on purchase of fixed assets	4.02	5.54
Advances from customers	8,157.38	1,240.57
	19,439.53	10,845.63
Note: During the year there are defaults in payments to SASF, however the same could not be quantified as the Company is in re-schedulement of dues as explained in Note 41 of the financial statements.		
Note 12: Short-term provisions		
Provision for employee benefits (Refer Note No.28)	98.07	39.41
Provision for current income tax (net of advance tax Rs.1,813.82 lakhs (31.03.2011:Rs.1,493.22 lakhs)	2,451.35	2,652.01
Provision for fringe benefit tax	-	16.08
Provision for proposed dividend on CRPS	14.93	25.08
Provision for tax on proposed dividend	2.48	1.78
	2,566.83	2,734.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13A: Tangible Assets

Rupees in lakhs

DESCRIPTION	GROSS BLOCK (At Cost)						DEPRECIATION				NET BLOCK	
	As at 01 April 2011	Additions	Assets under slump sale (Refer Note No.43)	Deletions	As at 31 March 2012	As at 01 April 2011	For the year/ period	Deletions	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011	
Land- Freehold	1,828.69	-	378.75	-	2,207.44	-	-	-	2,207.44	1,828.69		
Buildings	4,027.64	212.46	499.20	-	4,739.30	556.82	137.56	-	4,044.92	3,470.82		
Plant & Machinery												
Owned (Refer Note i)	47,466.18	6,676.04	2,077.50	596.48	55,623.24	12,245.34	4,274.16	571.54	15,947.96	39,675.28	35,220.84	
Given under operating lease (Refer Note ii)	1,402.96	-	-	412.48	990.48	985.60	71.02	347.85	708.77	281.71	417.35	
Electrical Installation	2,041.67	6.94	142.65	-	2,191.26	387.14	108.34	-	495.48	1,695.78	1,684.53	
Furniture & Fixtures	78.69	4.43	-	-	83.12	48.21	4.69	-	52.90	30.22	30.48	
Office Equipment	148.89	11.08	-	-	159.97	33.41	7.50	-	40.91	119.06	115.48	
Vehicles	606.81	38.55	-	-	645.36	208.28	55.13	-	263.41	381.95	398.54	
Computers	457.07	12.06	-	-	469.13	361.95	36.22	-	398.17	70.96	95.12	
Total (A)	58,058.60	6,951.56	3,098.10	1,008.96	67,109.30	14,826.75	4,694.62	919.39	18,601.98	48,507.32	43,231.85	
<i>Previous period</i>	44,057.72	15,471.48	-	1,470.60	58,058.60	8,529.16	7,069.95	772.36	14,826.75	43,231.85	-	

Note:

i) Depreciation for the year includes additional depreciation of Rs.1080.46 lakhs provided on moulds due to change in estimated useful life.

ii) Represents the assets given under operating lease to Sujana Universal Industries Limited.

Note 13B: Intangible Assets

Rupees in lakhs

DESCRIPTION	GROSS BLOCK (At Cost)				AMORTISATION				NET BLOCK		
	As at 01 April 2011	Additions	Assets under slump sale (Refer Note No.43)	Deletions	As at 31 March 2012	As at 01 April 2011	For the year/ period	Deletions	As at 31 March 2012	As at 31 March 2011	
Goodwill	28.68	-	-	-	28.68	28.68	-	-	28.68	-	
Total (B)	28.68	-	-	-	28.68	28.68	-	-	28.68	-	
<i>Previous period</i>	28.68	-	-	-	28.68	28.68	-	-	28.68	-	
Grand Total (A+B)	58,087.28	6,951.56	3,098.10	1,008.96	67,137.98	14,855.43	4,694.62	919.39	18,630.66	48,507.32	43,231.85
<i>Previous period</i>	44,086.40	15,471.48	-	1,470.60	58,087.28	8,557.84	7,069.95	772.36	14,855.43	43,231.85	-

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 14: Non-current investments		
(At cost unless otherwise stated)		
Trade		
Investment in equity instruments in subsidiaries		
Alpha Ventures Limited	2,320.71	4.69
5,010,000 (31.03.2011:10,000) Shares of USD 1.00 each fully paid up		
Glade Steels Private Limited	674.51	674.51
674,514 (31.03.2011:674,514) Equity Shares of Rs.100 each fully paid up		
Asian tide Enterprises Limited	11,234.17	1.99
194,274,600 (31.03.2011:39,000) Shares of HK\$ 1.00 each fully paid up		
	14,229.39	681.19
Aggregate amount of unquoted investments	14,229.39	681.19
Note 15: Long-term loans and advances		
i) Unsecured and considered good		
a) Capital advances	5,275.96	19,682.72
b) Security deposits	66.73	55.69
c) Loans and advance to related parties (Refer Note No.30)	-	13,548.19
d) Advance income tax [net of provisions Rs. Nil (31.03.2011: Rs.35.09 lakhs)]	200.00	344.75
e) MAT credit entitlement	290.66	428.97
f) Deposits with government authorities	607.56	622.06
	(A)	34,682.38
6,440.91		
ii) Doubtful		
a) Security deposits	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02
c) Other advances	-	1.44
	351.92	353.36
Less: Provision for doubtful advances	351.92	353.36
	(B)	-
	(A+B)	-
	6,440.91	34,682.38
Note 16: Current investments (At lower of cost and fair value)		
Investment in mutual funds (Unquoted)		
SBI-Debt fund series - 370 Days - 3-dividend	-	75.00
Nil (31.03.2011:750,000 units purchased during the previous period)		
SBI - PSU fund dividend	5.00	5.00
50,000 (31.03.2011:50,000 units purchased during the previous period)		
Less: provision for diminution in the value of investment	(0.79)	(0.08)
	4.21	79.92
Aggregate amount of unquoted investments	5.00	80.00
Aggregate provision for diminution in the value of current investments	0.79	0.08

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 17: Inventories (At lower of cost and net realisable value)		
Raw materials	3,225.14	1,767.65
Goods- in-transit	-	0.87
Finished goods	2,705.30	1,816.36
Goods- in-transit	-	68.57
Stock in trade	9,305.87	5,558.73
Stores and spares	1,006.24	973.02
	16,242.55	10,185.20
Note 18: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	7,614.18	16,613.07
Considered Doubtful	580.94	588.51
Less: Provision for doubtful trade receivables	580.94	588.51
	(A)	7,614.18
Other trade receivables		
Considered Good	100,247.33	69,689.86
Considered Doubtful	-	11.21
	(B)	100,247.33
Less: Provision for doubtful trade receivables	-	11.21
	(A+B)	107,861.51
	107,861.51	86,302.93
Note: Trade receivable include debts due from Private company in which director is a director:		
Glade Steel Private Limited	-	119.81
Note 19: Cash and bank balances		
Cash and cash equivalents		
Cash on hand	46.62	66.88
Balances with Banks:		
In current accounts	1,275.11	1,017.59
In EEFC account	0.31	589.96
In Deposit accounts	-	771.83
Other bank balances		
In earmarked accounts		
Balance held as margin monies (Refer note below)	5,104.16	4,731.33
	6,426.20	7,177.59

Note:

Balances with banks include deposits amounting to Rs. Nil (31.03.2011: Rs.696 lakhs) and margin monies amounting to Rs.1,449.50 lakhs (31.03.2011: Rs.1,317.54 lakhs) which have an original maturity of more than 12 months.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 20: Short-term loans and advances		
(Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties (<i>Refer Note No.30</i>)	4,103.16	2,856.57
Security deposits	13.38	79.41
Loans and advances to employees	32.69	33.76
Prepaid expenses	39.35	24.40
Balances with government authorities		
CENVAT credit receivable	1,809.77	1,500.29
VAT credit receivable	148.93	-
Advances for supply of goods and rendering of services (<i>Refer Note No.40</i>)	28,480.96	34,858.13
Others	88.86	88.61
	<u>34,717.10</u>	<u>39,441.17</u>
Short term loans and advances include amounts due from:		
Directors	1.60	-
Note 21: Other current assets		
Interest accrued but not due on deposits	256.67	67.41
	<u>256.67</u>	<u>67.41</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31 March 2012	Eighteen months period ended 31 March 2011
Note 22: Revenue from operations		
a) Sale of products		
i) Manufactured goods		
Domestic	72,995.66	79,182.04
Exports	175.74	-
ii) Traded goods		
Domestic		
- Raw Materials	9,575.25	32,607.80
- Finished Goods	240,850.74	258,126.15
- Others	222.54	494.12
Exports		
- Steel and steel products	26,515.07	45,155.39
- Others	326.10	5,739.45
b) Other operating revenues		
Sale of scrap	2,403.67	2,695.04
Conversion income	771.58	1,400.19
Total	353,836.35	425,400.18

Particulars of sale of products	Year ended 31 March 2012		Eighteen months period ended 31 March 2011	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
A. Manufactured goods				
TMT Bars	105,359	38,451.85	159,204	46,957.42
MS Channels	21,207	7,834.45	30,090	9,601.62
MS Beams	16,664	6,287.95	27,491	8,504.66
Others	58,028	20,597.15	45,621	14,118.34
Total	201,258	73,171.40	262,406	79,182.04
B. Traded goods				
TMT Bars	318,105	145,169.79	359,088	123,835.05
CR Coils and HR Coils	117,047	52,684.06	119,390	50,560.15
MS Rebars	71,866	27,810.44	98,200	31,434.40
MS Scrap	35,178	8,039.33	145,661	28,184.95
Others	114,182	43,786.08	376,971	108,108.36
Total	656,378	277,489.70	1,099,310	342,122.91

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31 March 2012	Eighteen months period ended 31 March 2011
Note 23: Other Income		
a) Interest on deposit with banks and others	540.42	360.94
b) Liabilities/Provisions no longer required written back	224.99	32.58
c) Net gain on foreign currency transactions and translations	1,463.99	133.98
d) Dividend income from current investments	2.99	0.75
e) Profit on sale of fixed assets (net)	71.18	0.36
f) Rental income from operating leases	9.00	53.44
g) Miscellaneous income	20.09	316.60
	2,332.66	898.65
Note 24.a: Cost of materials consumed		
Opening Stock	1,768.52	2,031.85
Add : Purchases	68,151.99	65,881.63
	69,920.51	67,913.48
Less : Closing stock	3,225.14	1,768.52
	66,695.37	66,144.96
Less : Transfer to capital work in progress	16.27	18.14
	66,679.10	66,126.82

Details of raw materials consumed

Particulars	Year ended 31 March 2012		Eighteen months period ended 31 March 2011	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
Pig /Sponge Iron/Scrap	21,114	4,152.10	26,347	4,198.49
Billets / Blooms	161,480	50,928.33	184,661	47,256.37
MS Products	11,300	3837.61	2,850	480.26
MS Ingots	32,650	5,948.56	53,669	12,787.47
TMT Bars*	11,540	1,828.77	9,805	1,422.37
Total	238,084	66,695.37	277,332	66,144.96
Less: Transferred to capital work in progress	-	16.27	-	18.14
Total	238,084	66,679.10	277,332	66,126.82

*Includes 6,752 MTs (31.03.2011:5,291 MTs) at zero value as there are internal transfers for which cost is not ascertainable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

Note 24.b: Details of purchase of traded goods

Particulars	Year ended 31 March 2012		Eighteen months period ended 31 March 2011	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
TMT Bars	322,840	129,441.06	357,420	103,356.61
MS Rebars	72,955	28,278.51	98,200	30,938.69
HR Coils and CR Coils	117,047	52,626.85	119,390	50,498.39
Others	113,915	39,039.47	373,685	90,783.07
MS Scrap	33,075	7,943.84	129,668	25,032.69
Total	659,832	257,329.73	1,078,363	300,609.45

Note 24.c: Changes in inventories of finished goods, work in progress and stock-in-trade

	Year ended 31 March 2012	Eighteen months period ended 31 March 2011
<u>Inventories at the beginning of the year:</u>		
Finished goods	1,884.93	5,437.76
Work in progress	-	110.96
Stock in trade	5,558.73	11,845.73
	<u>7,443.66</u>	<u>17,394.45</u>
<u>Inventories at the end of the year:</u>		
Finished goods	2,705.30	1,884.93
Work in progress	-	-
Stock in trade	9,305.87	5,558.73
	<u>12,011.17</u>	<u>7,443.66</u>
Net (increase) / decrease	<u>(4,567.51)</u>	<u>9,950.79</u>
Note 25: Employee benefit expenses		
Salaries, wages and bonus	2,074.37	2,695.59
Contribution to provident and other funds	145.27	200.10
Staff welfare expenses	122.40	76.29
	<u>2,342.04</u>	<u>2,971.98</u>
Note 26: Finance costs		
Interest expense on		
Borrowings	14,804.22	15,467.87
Others		
- Interest on delayed payment of income tax	-	270.30
Other borrowing costs	2,424.08	3,692.60
	<u>17,228.30</u>	<u>19,430.77</u>

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

	Year ended 31 March 2012	Eighteen months period ended 31 March 2011
Note 27: Other expenses		
Consumption of stores, spares and consumables	1,318.68	2,549.92
Power and fuel	4,571.23	5,829.40
Other manufacturing expenses	205.74	381.81
Equipment hire charges	43.42	68.57
Job work charges	640.91	786.52
Increase/(decrease) of excise duty on inventory	121.57	(226.78)
Rent including lease rentals (<i>Refer Note No.42</i>)	118.25	272.38
Repairs and Maintenance-Buildings	22.57	28.66
Repairs and Maintenance-Machinery	62.89	175.81
Repairs and Maintenance-Others	17.54	73.44
Insurance	67.24	92.65
Rates and taxes	194.37	197.40
Factory maintenance	48.93	89.46
Printing and stationery	23.68	46.38
Communication	55.30	87.60
Travelling and conveyance	227.21	312.98
Legal and professional	447.39	429.50
Payments to auditors (<i>Refer Note (i) below</i>)	70.50	101.25
Security Charges	92.96	156.88
Donations	26.91	238.52
Sales commission	230.41	13.85
Sales discount	101.75	221.17
Business promotion	296.33	411.20
Freight outwards	555.15	842.61
Directors' sitting fees	3.20	2.95
Provision for doubtful trade receivables, loans and advances	202.47	213.69
Loss on sale of current investments	-	1.01
Adjustments to carrying amount of current investments	0.71	0.08
Miscellaneous expenses	163.44	202.25
	9,930.75	13,601.16
Note (i): Payments to the auditors (net of service tax input credit)		
As auditors -statutory audit	52.50	52.50
Other Services	18.00	48.75
Total	70.50	101.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Employee Benefits

Defined contribution plans:

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.61.22 lakhs (31.03.2011: Rs.79.59 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the scheme.

Defined benefit plans:

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

- i. Gratuity
- ii. Compensated absences

Liability for retiring gratuity as on 31 March 2012 is Rs.230.25 lakhs (31.03.2011: Rs.192.75 lakhs) of which Rs.15.67 lakhs (31.03.2011: Nil) is funded with the Life Insurance Corporation of India. The balance of Rs.214.58 lakhs (31.03.2011: Rs.192.75 lakhs) is included in Provision for Gratuity.

The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

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

Amount to be recognised in Balance Sheet

Rupees in lakhs

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	230.25	90.60	320.85
	<i>192.75</i>	<i>63.21</i>	<i>255.96</i>
Fair value of plan assets	(15.67)	-	(15.67)
	-	-	-
Net liability	214.58	90.60	305.18
	<i>192.75</i>	<i>63.21</i>	<i>255.96</i>

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

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expenses to be recognised in Statement of Profit and Loss

Rupees in lakhs

Particulars	Gratuity	Compensated Absences	Total
Current service cost	34.42	27.39	61.81
	<i>61.86</i>	<i>35.48</i>	<i>97.34</i>
Interest cost	15.42	5.06	20.48
	<i>16.70</i>	<i>3.42</i>	<i>20.12</i>
Expected return on plan assets	(1.02)	-	(1.02)
	-	-	-
Actuarial (gains)/losses	(2.57)	4.69	2.12
	<i>(3.94)</i>	<i>5.92</i>	<i>1.98</i>
Total included in employee benefit expense	46.25	37.14	83.39
	<i>74.62</i>	<i>44.82</i>	<i>119.44</i>
Change in defined benefit obligations (DBO)			
Present value of DBO at beginning of period / year	192.75	63.21	255.96
	<i>135.52</i>	<i>27.73</i>	<i>163.25</i>
Current service cost	34.42	27.39	61.81
	<i>61.86</i>	<i>35.48</i>	<i>97.34</i>
Interest cost	15.42	5.06	20.48
	<i>16.70</i>	<i>3.42</i>	<i>20.12</i>
Actuarial (gains)/losses	(2.57)	4.69	2.12
	<i>(3.94)</i>	<i>5.92</i>	<i>1.98</i>
Benefits paid	(9.77)	(9.75)	(19.52)
	<i>(17.39)</i>	<i>(9.34)</i>	<i>(26.73)</i>
Closing defined benefit obligation	230.25	90.60	320.85
	<i>192.75</i>	<i>63.21</i>	<i>255.96</i>
Opening fair value of plan assets	-	-	-
	-	-	-
Expected return on plan assets	1.02	-	1.02
	-	-	-
Contributions by employer	16.02	-	16.02
	-	-	-
Benefits paid	(1.37)	-	(1.37)
	-	-	-
Closing fair value of plan assets	15.67	-	15.67
	-	-	-
Assumptions			
Interest / Discount rate			8.60%
			<i>8.00%</i>
Expected return on plan assets			9.00%
			-
Rate of escalation in salary			6.00%
			<i>6.00%</i>
Attrition rate			3.00%
			<i>3.00%</i>

Note: Figures in italics relate to previous period

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i) Discount Rate

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

ii) Expected Rate of Return on Plan Assets:

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

iii) Salary Escalation Rate

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

Rupees in lakhs

Net Asset/(Liability) recognised in Balance Sheet					
Particulars	2011-12	2009-11 (18 months)	2008-09	2007-08	2006-07
Gratuity					
Present value of defined benefit obligation	230.25	192.75	135.52	126.48	14.65
Fair value of plan assets	15.67	-	-	-	-
Surplus / (Deficit)	(214.58)	(192.75)	(135.52)	(126.48)	(14.65)
Compensated Absences					
Present value of defined benefit obligation	90.60	63.21	27.73	18.29	-
Surplus / (Deficit)	(90.60)	(63.21)	(27.73)	(18.29)	-

29 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily manufacture and trading of steel and steel products. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are India and Others.

Information about primary business segments:

Rupees in lakhs

Particulars	Business Segments : Steel & Steel Products			
	Manufactured	Traded	Unallocable	Total
Revenue:				
Total External Sales	76,346.65	277,489.70	-	353,836.35
	83,277.27	342,122.91	-	425,400.18
Total Revenue	76,346.65	277,489.70	-	353,836.35
	83,277.27	342,122.91	-	425,400.18

SUJANA METAL PRODUCTS LIMITED

Segment result before interest and tax	(1,067.60)	23,907.12	(3,079.24)	19,760.28
	<i>(2,818.37)</i>	<i>35,226.46</i>	<i>(6,439.41)</i>	<i>25,968.68</i>
Less: Finance costs	-	-	-	17,228.30
	-	-	-	<i>19,430.77</i>
Profit before taxes	-	-	-	2,531.98
	-	-	-	<i>6,537.91</i>
Taxes	-	-	-	448.98
	-	-	-	<i>2,669.22</i>
Profit after taxes	-	-	-	2,083.00
	-	-	-	<i>3,868.69</i>
Other Information				
Segment Assets	70,509.67	141,316.77	29,027.43	240,853.87
	<i>77,060.06</i>	<i>112,148.09</i>	<i>33,430.92</i>	<i>222,639.07</i>
Segment Liabilities	13,746.03	47,001.49	104,870.00	165,617.52
	<i>6,628.85</i>	<i>11,549.42</i>	<i>134,076.18</i>	<i>152,254.45</i>
Cost incurred during the period to acquire segment assets	9,993.54	-	66.12	10,059.66
	<i>15,178.06</i>	-	<i>293.42</i>	<i>15,471.48</i>
Segment depreciation/amortisation	4,591.08	-	103.54	4,694.62
	<i>6,915.58</i>	-	<i>154.37</i>	<i>7,069.95</i>
<i>Note: Figures in italics represent previous period</i>				
Information about secondary segment : Geographical			2011-12	2009-11
Revenue (Net of excise duty)				
India			326,819.43	374,505.34
Outside India			27,016.92	50,894.84
Total			353,836.35	425,400.18
Additions to Fixed Assets				
India			10,059.66	15,471.48
Outside India			-	-
Total			10,059.66	15,471.48
Segment Assets				
India			211,747.81	188,976.15
Outside India			29,106.06	33,662.92
Total			240,853.87	222,639.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30 Related Party Disclosure

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

List of Related Parties

1. Subsidiaries

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

2. Key Management Personnel

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

Note: Related parties have been identified by the management.

Related Party Transactions:

Rupees in lakhs

Particulars	Subsidiaries		Key Management Personnel	
	2011-12	2009-11	2011-12	2009-11
A) Sales				
Glade Steel Private Limited	1,579.70	2,844.82	-	-
B) Purchases				
Glade Steel Private Limited	9,941.25	2,068.04	-	-
C) Investments made during the year/period				
Alpha Ventures Limited	2,316.02	-	-	-
Asian Tide Enterprises Limited	11,232.17			
Total	13,548.19	-	-	-
D) Advances given/(refunded) during the year				
Alpha Ventures Limited	-	2,316.02	-	-
Asian Tide Enterprises Limited	(33.16)	11,265.33	-	-
Total	(33.16)	13,581.35	-	-
E) Other Expenses				
Glade Steel Private Limited	9.00	16.80	-	-
F) Remuneration				
Mr. R.K.Birla - Managing director	-	-	92.15	108.00
Mr. Hanumantha Rao- Executive director	-	-	10.20	15.30

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Total	-	-	102.35	123.30
Closing Balances				
G) Advances				
Glade Steel Private Limited	4,101.56	2,823.41	-	-
Alpha Ventures Limited	-	2,316.02	-	-
Asian Tide Enterprises Limited	-	11,265.33	-	-
Mr. R.K.Birla	-	-	1.60	-
Total	4,101.56	16,404.76	1.60	-
H) Accounts Receivable				
Glade Steel Private Limited	-	119.81	-	-
I) Accounts Payable				
Glade Steel Private Limited	-	23.85	-	-

31 Earnings Per Share

Rupees in lakhs

Particulars	2011-12	2009-11
Profit After Tax	2,083.00	3,868.69
Less: Preference Dividend including tax thereon	17.41	29.24
Profit attributable to equity share holders	2,065.59	3,839.45
Profit attributable to equity share holders- for diluted EPS	2,065.59	3,839.45
Weighted average number of equity shares used in computing Basic Earnings per Share	196,350,881	171,639,557
Add: Effect of potential ordinary (equity shares) on conversion of share warrants and redeemable preference shares	-	6,992,102
Weighted average number of ordinary (equity shares) used in computing Diluted Earnings Per Share.	196,350,881	178,631,659
Earnings per share - Face Value: Rs. 5 each		
Basic - Rs.	1.05	2.24
Diluted - Rs.	1.05	2.15

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

Rupees in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
a) Contingent liabilities		
i) Claims against the Company not acknowledged as debts in respect of:		
Excise Duty	1,823.36	1,888.95
Custom Duty	523.37	593.59
TNVAT/APGST/CST	1,979.39	4,286.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Income Tax (Net of liability as per return)	1,037.07	-
FERA [Against which bank guarantee of Rs.215 lakhs (31.03.2011: Rs.215 lakhs) has been issued]	630.00	630.00
ii) Guarantees:		
Corporate Guarantees furnished on behalf of Sujana Universal Industries Ltd	81,410.00	53,100.00
Joint corporate guarantee executed by the Company along with Sujana Universal Industries Limited (SUIL) and Sujana Towers Limited in favour of Alpha Ventures Limited (wholly owned subsidiary of the Company) and Sujana Holdings Limited, wholly owned subsidiary of SUIL [USD Nil (31.03.2011:USD 650 lakhs)]	-	29,022.50
Corporate guarantee furnished on behalf of Optimix Enterprises Limited [USD 60 lakhs (31.03.2011:USD Nil)]	3,117.97	-
b) Commitments		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for on account of tangible assets [net of advances of Rs.5,275.96 lakhs (31.03.2011:19,682.72 lakhs)]	-	9,059.74
ii. Export commitments on account of import of machinery and equipments at concessional duty under EPCG scheme Rs.672.96 lakhs (31.03.2011 : Rs.672.96 lakhs). Such export commitments need to be fulfilled by the Company on or before 23 April 2016. As on 31 March 2012, the Company has fulfilled its export commitments and which are pending final approval of Director General of Foreign Trade. In the event of non-fulfillment of the export commitments by 23 April 2016 by the Company, the liability (excluding interest and penalties) towards customs duty	112.16	112.16

33 Derivative Instruments

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

In lakhs

Particulars	2011-12		2009-11	
	Rs.	USD	Rs.	USD
For import of goods and services	11,621.66	224.13	15,885.76	355.77
From export of goods and services	15,551.18	299.91	20,074.89	449.61

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34 CIF Value of Imports

Rupees in lakhs

Particulars	2011-12	2009-11
Raw Materials including stock in trade	29,689.33	49,875.78
Capital Goods	-	2.59
Others	-	633.35
Total	29,689.33	50,511.72

35 Details of consumption of imported and indigenous items

Particulars	2011-12		2009-11	
	%	Value (Rs.in lakhs)	%	Value (Rs.in lakhs)
Raw Material				
Imported	0.33%	218.02	1.10%	729.71
Indigenous	99.67%	66,461.08	98.90%	65,397.11
	100.00%	66,679.10	100.00%	66,126.82
Stores and Spares (Indigenous)	100.00%	1,318.68	100.00%	2,549.92

36 Expenditure in Foreign Currency (on accrual basis)

Rupees in lakhs

Particulars	2011-12	2009-11
Travelling	5.44	0.42
Professional and Consultancy	-	164.76
Total	5.44	165.18

37 Earnings in Foreign Exchange

Rupees in lakhs

Particulars	2011-12	2009-11
FOB Value of Exports	27,016.91	50,894.84
Others	-	726.74
Total	27,016.91	51,621.58

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

Trade payables (Ref: Note No.10 -Trade payables include Rs. Nil (31.03.2011: Rs. Nil) due to micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006). The Company has not received any memorandum (as required to be filed by the supplier with the notified authority under the MSMED Act 2006) claiming their status as Micro or Small or Medium Enterprises.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

Name of the Company	Relationship	Amount Outstanding as at year end/ period end	Maximum Outstanding during the year /period
Alpha Ventures Limited	Subsidiary	-	2,316.02
		<i>2,316.02</i>	<i>2,316.02</i>
Asian Tide Enterprises Limited	Subsidiary	-	11,265.33
		<i>11,265.33</i>	<i>11,265.33</i>

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

Figures in italics relate to previous period

40 Scheme of Amalgamation

A Scheme of Amalgamation of M/s Lakshmi Gayatri Industries Private Limited, M/s Glade Steel Private Limited, M/s Sri Ganga Steel Enterprises Private Limited and M/s Topaz Steel India Limited with the Company with effective from 1 October, 2009 (being Appointed Date) has been approved by the shareholders and secured creditors of the Company in the extra ordinary general meeting held on 28 April 2011. The Company filed its main petition with the Hon'ble High Court of Andhra Pradesh for the sanction of Scheme of Amalgamation under Section 391 and 394 of the Companies Act, 1956, which was admitted on 15 July 2011. In view of pending order of High Court of Andhra Pradesh, the scheme has not been given effect in the Audited Financials of the Company for the financial year/period ended 31 March 2012 and 31 March 2011. Further the short-term loans and advances of Rs.774.77 lakhs (31.03.2011:Rs.5,202.50 lakhs) outstanding and receivable from these amalgamating companies as on 31 March 2012 are considered good for recovery by the management.

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

SASF vide their letter dated 02 December 2010 has confirmed a Negotiated Settlement (NS) for the aggregate balance of the term loans outstanding as on 31 December 2009 (being the cut-off date), to the extent of Rs.7,706.00 lakhs, in respect of: Sujana Steels Limited (since merged with the company), Sri Ganga Enterprises Limited (scheme of amalgamation consisting of its merger with the Company is awaiting High Court approval); Handum Industries Limited and Sarita Steels Limited, whose operating divisions were acquired by the Company under slump sale, on following terms and conditions:

- Rs.3,051.00 lakhs to be paid in cash, with a down payment and balance in 5 installments;
- The balance amount of Rs.4,655 lakhs is to be converted into equity shares of Company as per SEBI Guidelines and 9% p.a interest shall be payable till the date of conversion.

Further the Company vide its letter dated 21 March 2012 requested the SASF for modifications in the terms of negotiated settlement conveyed above vide letter dated 02 December 2010. The SASF vide its letter dated 02 April 2012 has agreed to extend the time till 31 March 2013, for conversion of Rs.4,655 lakhs together with interest at 9% p.a, from 01 April 2010, into equity, up to 31 March 2013. SASF also agreed to reschedule the payment of balance cash portion of settlement amount aggregating Rs.2,400 lakhs (subject to reconciliation) as under:

- Payment of 50 lakh per quarter during the first year commencing from 01 July 2012, payment of Rs.75 lakhs per quarter during the second year commencing from 01 July 2013 and balance amount shall be payable in 12 equal quarterly installments commencing from 01 July 2014.
- Interest @9% p.a on the settlement shall be payable along with the above installments.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Based on the negotiated settlement, a consolidated interest waiver of Rs.1,300 lakhs has been given by SASF. In view of pending amalgamation as said above, the Company has not accounted the term loan liability relating to amalgamating Company (payable to SASF) and the interest waiver to the extent of Rs.1,300 lakhs in the books during the year. The balance outstanding as at 31 March 2012 has not been confirmed by SASF.

42 The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.). The leasing arrangements, which are not non-cancellable, range between ten months and three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals Rs.118.25 lakhs (31.03.2011:Rs.272.38 lakhs) payable are charged as rent to the statement of profit and loss.

43 Acquisition of a Unit of Handum Industries Limited

During the year, the Company acquired an operating unit from Handum Industries Limited on 'slump sale basis'. As part of this acquisition, the Company has taken over the outstanding dues of Rs. 2,168.30 lakhs payable to SASF (Stressed Assets Stabilization Fund), a division of IDBI. SASF had approved of the takeover of this loan and restructured the same to Rs. 1,050 lakhs which is part of the negotiated settlement as explained in note no.41 of the financial statements.

The assets and liabilities taken over and whose values has been determined by means of a professional valuation except borrowings are as follows:

Rupees in lakhs

Value of assets and liabilities acquired:		
Fixed Assets	3,098.10	
Short-term Loans and Advances	1,367.65	
Trade Receivables	4,428.69	
Long-term borrowings	(2,168.30)	6,726.14
Purchase consideration paid		3,940.00
Difference considered as capital reserve		2,786.14

44 The financial statements have been prepared for 12 months i.e. 01 April 2011 to 31 March 2012 and are not strictly comparable with previous period's figures as the same is for 18 months period i.e., from 01 October 2009 to 31 March 2011.

45 The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

R.K.Birla
Managing Director

V R Chary
Chief Financial Officer

S.Hanumantha Rao
Director-Finance

Shaik Ibraheem
Company Secretary

Place: Hyderabad
Date:28 May 2012

Consolidated Accounts for the Year Ended 31.03.2012

SUJANA METAL PRODUCTS LIMITED

AUDITORS' REPORT

To
THE BOARD OF DIRECTORS
SUJANA METAL PRODUCTS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Sujana Metal Products Limited (the Company and its subsidiaries constitute "the Group")** as at March 31,2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.57,180.57 lakhs as at March 31,2012, total revenue of Rs 51,108.33 lakhs and net cash inflows amounting to Rs 247.58 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, we are of opinion that the attached Consolidated Financial Statements give a true 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 Group as at March 31,2012;
 - ii. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Reg. No. 008072S)

C R Rajagopal
Partner
(Membership No. 23418)

Hyderabad, May 28, 2012



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2012

Rupees in lakhs

	Note No	As at 31 March 2012	As at 31 March 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	3	11,310.91	11,310.91
b) Reserves and surplus	4	70,544.58	60,867.70
		<u>81,855.49</u>	<u>72,178.61</u>
2. Minority interest		794.10	793.87
3. Non- current liabilities			
a) Long-term borrowings	5	27,683.49	39,388.69
b) Deferred tax liabilities (net)	6	6,179.13	6,185.14
c) Other longterm liabilities	7	8,706.63	85.21
d) Long-term provisions	8	2,757.57	216.55
		<u>45,326.82</u>	<u>45,875.59</u>
4. Current liabilities			
a) Short-term borrowings	9	56,249.84	61,159.41
b) Trade payables	10	73,659.19	41,321.07
c) Other current liabilities	11	19,564.17	10,982.54
d) Short-term provisions	12	2,580.85	2,740.12
		<u>152,054.05</u>	<u>116,203.14</u>
TOTAL		280,030.46	235,051.21
II. ASSETS			
1. Non- current assets			
a) Fixed assets			
i) Tangible assets	13A	49,286.51	44,054.19
ii) Capital work in progress		6,168.01	789.48
		<u>55,454.52</u>	<u>44,843.67</u>
b) Goodwill (on consolidation)		326.96	326.96
c) Long-term loans and advances	14	7,324.47	22,065.15
		<u>63,105.95</u>	<u>67,235.78</u>
2. CURRENT ASSETS			
a) Current investments	15	4.21	79.92
b) Inventories	16	16,242.55	10,219.60
c) Trade receivables	17	160,478.69	109,033.30
d) Cash and bank balances	18	7,334.07	7,837.87
e) Short-term loans and advances	19	32,512.05	40,570.28
f) Other current assets	20	352.94	74.46
		<u>216,924.51</u>	<u>167,815.43</u>
TOTAL		280,030.46	235,051.21

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C R Rajagopal
Partner

Place: Hyderabad
Date: 28 May 2012

For and on behalf of the Board of Directors

R K Birla
Managing Director

V R Chary
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2012

S. Hanumantha Rao
Director- Finance
Shaik Ibraheem
Company Secretary

SUJANA METAL PRODUCTS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March 2012

Rupees in lakhs

	Note No	For the year ended 31 March 2012	For the eighteen months ended 31 March 2011
I. Revenue			
Revenue from operations (gross)		410,752.39	466,479.77
Less: Excise duty		7,387.42	10,769.63
Revenue from operations (net)	21	403,364.97	455,710.14
Other income	22	2,451.71	909.77
Total revenue		405,816.68	456,619.91
II. Expenses			
Cost of material consumed	23.a	66,679.10	66,126.82
Purchase of stock-in-trade	23.b	301,618.44	330,103.23
Change in inventories of finished goods, work in progress and stock-in-trade	23.c	(4,533.11)	9,916.39
Employee benefit expenses	24	2,349.84	2,975.32
Finance costs	25	19,984.34	21,069.19
Depreciation and amortisation expense	13A&13B	4,732.21	7,073.59
Other expenses	26	10,167.07	14,388.05
Total expenses		400,997.89	451,652.59
III. Profit before tax (I-II)		4,818.79	4,967.32
IV. Tax expense:			
a) Current tax for current year		855.69	1,481.18
b) MAT credit relating to earlier years		(251.69)	-
c) Current tax credit relating to earlier years		(124.30)	-
d) Fringe benefit tax written back of earlier years		-	(1.67)
		479.70	1,479.51
e) Deferred tax		(6.00)	1,196.40
		473.70	2,675.91
V. Profit for the year/period before minority interest (III-IV)		4,345.09	2,291.41
Minority interest		0.23	9.47
Profit for the year/period after minority interest		4,344.86	2,281.94
Earnings per equity share of Rs.5/- each (Refer Note No.31)			
Basic Rs.		2.20	1.31
Diluted Rs.		2.20	1.26

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

C R Rajagopal
Partner

Place: Hyderabad
Date: 28 May 2012

For and on behalf of the Board of Directors

R K Birla
Managing Director

V R Chary
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2012

S. Hanumantha Rao
Director- Finance

Shaik Ibraheem
Company Secretary



Consolidated Cash Flow Statement for the year ended 31 March 2012

Rupees in lakhs

	For the year ended 31 March 2012	For the Eighteen months period ended 31 March 2011
Cash flow from operating activities		
Net profit before tax	4,818.79	4,967.32
Adjustments for:		
Depreciation and amortisation	4,732.21	7,073.59
Profit on sale of fixed assets (net)	(68.62)	(0.36)
Net unrealised exchange gain	(519.17)	(311.91)
Finance costs	19,984.34	21,069.19
Interest income	(662.03)	(372.05)
Preliminary expenses written off	2.56	3.85
Loss on sale of current investments	-	1.01
Adjustments to the carrying amount of current investments	0.71	0.08
Provision for wealth tax	-	2.46
Dividend income on current investment	(2.99)	(0.36)
Operating profit before working capital changes	28,285.80	32,432.82
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(6,022.95)	10,580.27
Trade receivables	(46,228.70)	(19,128.59)
Long-term loans and advances	40.84	(37.57)
Short-term loans and advances	9,425.88	(17,113.13)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	32,168.42	12,909.89
Other current liabilities	9,664.28	(1,522.85)
Other long-term liabilities	8,522.28	-
Provision for employee benefits	49.22	92.71
Cash generated from operations	35,905.07	18,213.55
Net income tax paid	(395.10)	(1,514.74)
Net cash flow from operating activities (A)	35,509.97	16,698.81
Cash flows from investing activities		
Capital expenditure on fixed assets and capital advances paid	(6,329.06)	(27,505.27)
Receipt of capital advances	6,354.23	-
Proceeds from sale of fixed assets	163.75	2107.77
Decrease in restricted cash	(628.81)	(2,441.43)
Purchase consideration on acquisition of a unit of Handum Industries Limited.	(1,900.00)	-
Purchase of current investments	-	(705.00)
Proceeds from sale of current investment - mutual fund units	75.00	629.19
Income from current investments received	2.99	0.75
Foreign Exchange Translation adjustment (arising on consolidation)	2,563.29	(410.65)
Interest received	380.98	983.08
Net cash received/(used) from/in investing activities (B)	682.37	(27,341.56)

SUJANA METAL PRODUCTS LIMITED

Consolidated Cash Flow Statement for the year ended 31 March 2012

Rupees in lakhs

	For the year ended 31 March 2012	For the Eighteen months period ended 31 March 2011
Cash flow from financing activities		
Proceeds from issue of share capital	-	5,730.49
Share premium received (Net of GDR issue expenses of Rs.164.76 lakhs)	-	20,707.93
Proceeds from long-term borrowings	-	32,679.88
Repayment of long-term borrowings	(12,390.81)	(27,156.32)
Repayment of short-term borrowings (net)	(4,909.57)	(1,393.98)
Share issue expenses paid	-	(8.31)
Dividend paid including tax there on	(26.86)	(51.26)
Interest and other borrowing costs paid	(19,997.71)	(18,827.14)
Net cash (used in)/ received from financing activities (C)	(37,324.95)	11,681.29
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,132.61)	1,038.54
Cash and cash equivalents at the beginning of the year/period	2,511.63	1,481.40
Exchange difference on translation of foreign currency cash and cash equivalents	-	(8.31)
Cash and cash equivalents at the end of the year/period	1,379.02	2,511.63
Notes:		
1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.		
2. Reconciliation of Cash and cash equivalents with Balance Sheet:		
Cash and bank balances as per Balance Sheet (<i>Refer Note 18</i>)	7,334.07	7,837.87
Less: Balances in earmarked accounts		
- balance held as margin monies	5,955.05	5,326.24
Net cash and cash equivalents at the end of the year/period	1,379.02	2,511.63

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

R K Birla
Managing Director

S. Hanumantha Rao
Director- Finance

C R Rajagopal
Partner

V R Chary
Chief Financial Officer

Shaik Ibraheem
Company Secretary

Place: Hyderabad
Date: 28 May 2012

Place: Hyderabad
Date: 28 May 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Sujana Metal Products Limited (“the Company”) and its subsidiaries (collectively referred to as the “Group”) manufactures steel rerolled products and also trades the steel re-rolled and other steel products. The Company’s registered office is in Hyderabad and it holds ownership directly or indirectly in 4 subsidiaries.

2 Significant accounting policies

a Basis of Preparation of Financial Statements

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

b Principles of Consolidation:

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

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

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

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

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

Minority interest consists of:

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

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

c Use of Estimates

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d Fixed Assets and Depreciation and Amortisation

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

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

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

e Investments

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

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

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

f Revenue Recognition

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

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

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

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

g Inventories

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

h Employee Benefits

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

Defined Benefit Plan

i) Gratuity

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

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

ii) Compensated Absences

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

Defined Contribution Plan

i) Provident Fund

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

i Foreign Currency Transactions and Translations

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

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

In case of foreign entities, revenue items are translated at the average rate prevailing during the year and all assets and liabilities at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in foreign currency translation reserve.

j Borrowing Costs

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

k Taxes on Income

i Indian Entities:

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

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

ii Foreign Entities:

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

I Earnings per Share

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

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

m Impairment of assets

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

n Provisions, Contingent Liabilities and Contingent Assets

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 3: Share capital		
Authorised		
i) 320,000,000 (31.03.2011:320,000,000) Equity Shares of Rs.5 each	16,000.00	16,000.00
ii) 4,000,000 (31.03.2011:4,000,000) Preference Shares of Rs.100 each	4,000.00	4,000.00
Issued, subscribed and fully paid up		
i) 196,350,881 (31.03.2011:196,350,881) equity Shares of Rs.5 each	9,817.54	9,817.54
ii) 1,493,365 (31.03.2011:1,493,365) 1% Cumulative Redeemable Preference Shares of Rs.100 each	1,493.37	1,493.37
	11,310.91	11,310.91

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

Particulars	Year ended 31 March 2012		Eighteen months period ended 31 March 2011	
	Number of shares held	Rupees in lakhs	Number of shares held	Rupees in lakhs
a) Equity(including shares represented by underlying GDRs)				
Shares outstanding at the beginning of the year/period	196,350,881	9,817.54	69,256,524	3,462.83
Shares issued during the year/period	-	-	127,094,357	6,354.71
Shares outstanding at the end of the year/ period	196,350,881	9,817.54	196,350,881	9,817.54
b) Cumulative Redeemable Preference Shares				
Shares outstanding at the beginning of the year/period	1,493,365	1,493.37	3,531,625	3,531.63
Shares redeemed during the year/period	-	-	2,038,260	2,038.26
Shares outstanding at the end of the year/period	1,493,365	1,493.37	1,493,365	1,493.37

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	%	No. of Shares held	%
a) Equity shares of Rs. 5 each fully paid				
Yalamanchili Finance & Trading Private Limited	26,766,585	13.63	40,197,747	20.47
Foster Infin and Trading Private Limited	25,000,000	12.73	25,000,000	12.73
Deutsche Bank Trust Company Americas	12,946,000	6.59	17,331,500	8.83
Stressed Assets Stabilisation Fund	12,759,682	6.50	12,759,682	6.49
Sujana Holdings Limited	10,000,000	5.09	10,000,000	5.09
b) Cumulative Redeemable Preference Shares of Rs.100 each fully paid				
IDBI Bank Limited	1,493,365	100.00	1,493,365	100.00

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

- iii) 13,140,489 Equity shares issued as fully paid up to the share holders of erstwhile Sujana Steels Limited on its amalgamation with the Company, for consideration other than cash in the last five years immediately preceding the balance sheet date.
- iv) The company has only one class of shares referred to as equity shares having a par value of Rs.5. Each holder of equity shares is entitled to one vote per share held (other than the shares represented by underlying GDR's which do not carrying a voting right).
In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.
12,946,000 (31.03.2011:17,331,500) equity shares represent the shares underlying outstanding Global Depository Receipts (GDRs). Each GDR represents 10 underlying equity shares.
- v) **Redemption of Cumulative Redeemable Preference Shares (CRPS)**
1,493,365 1% Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1,493.37 lakhs is redeemable in 12 quarterly installments co-terminus with principal payment commencing from 01 October 2013 and ending 01 July 2016. CRPS carry cumulative dividend @ 1% per annum. The company declares and pays dividend in Indian rupees. In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount after distribution of all other preferential amounts, in proportion to their shareholding.

	As at 31 March 2012	As at 31 March 2011
Note 4: Reserves and Surplus		
i) Capital Reserve		
Opening balance	7,094.29	7,094.29
Add: Additions during the year/period (<i>Refer Note No.36</i>)	2,786.14	-
Closing balance	9,880.43	7,094.29
ii) CRPS Redemption Reserve		
Opening balance	1,007.36	1,007.36
Add: Additions during the year/period	248.89	-
Closing balance	1,256.25	1,007.36
iii) Securities Premium Account		
Opening balance	35,430.34	12,634.48
Add: Premium on shares issued during the year/period	-	22,960.62
Less: GDR issue expenses (Net of deferred tax asset Rs. Nil)	-	164.76
Closing balance	35,430.34	35,430.34
iv) Foreign Currency Translation Reserve		
Opening balance	(159.33)	251.32
Add: Additions during the year/period (net)	2,563.29	(410.65)
Closing balance	2,403.96	(159.33)
v) General Reserve		
	698.64	698.64
vi) Surplus in the Statement of Profit and Loss		
Opening balance	16,796.40	14,543.70
Add: profit for the year/period	4,344.86	2,281.94
Less: Appropriations		
Proposed dividend on CRPS	14.93	25.08
Dividend distribution tax	2.48	4.16
CRPS redemption reserve	248.89	-
Closing balance	20,874.96	16,796.40
	70,544.58	60,867.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 5: Long-term borrowings		
Secured		
a) Term loans from		
i) Banks	21,679.16	35,576.04
ii) Financial institutions (<i>Refer Note No.34 and 36</i>)	5,979.67	3,750.46
b) Vehicle loans from		
i) Banks	24.66	61.12
ii) Others	-	1.07
	27,683.49	39,388.69

Notes:

- i) Term loan from banks amounting to Rs.21,679.16 lakhs (31.03.2011:Rs.27,166.54 lakhs) viz. Punjab National Bank, Bank of India, Indian Overseas Bank, IDBI Bank and Andhra Bank are secured by first charge on all the immovable and movable fixed assets of the Company both present and future and second charge on the current assets of the Company. Further these loans are secured by personal guarantees and properties of certain directors.
- ii) Terms of repayments are given below:
- a. Loan taken from Punjab National Bank carries an interest rate of 17% p.a and is repayable in 21 quarterly installments of Rs.472.17 lakhs each.
 - b. Loan taken from Bank of India carries an interest rate of 15% p.a and is repayable in 21 quarterly installments of Rs.304.17 lakhs each.
 - c. Loan taken from Indian Overseas Bank carries an interest rate of 15% p.a and is repayable in 21 quarterly installments of Rs.181.38 lakhs each.
 - d. Loan taken from Andhra Bank carries an interest rate of 16.5% p.a and is repayable in 21 quarterly installments of Rs.278.83 lakhs each.
 - e. Loan taken from IDBI Bank carries an interest rate of 13.75% and is repayable in 18 quarterly installments of Rs.135.32 lakhs each.
- iii) Term loan from financial institutions to the extent of :
- a) Rs.5,963.98 lakhs (31.03.2011: Rs.3,646.60 lakhs) availed from Stressed Assets Stabilization Fund (SASF) secured by first charge on all the immovable and movable fixed assets of the company and second charge on the current assets of the company. As per SASF letter dated 02 December 2010, Rs.3,051 lakhs is to be paid in cash of which an amount of Rs.600 lakhs was paid against the crystallized cash portion of the settlement amount and balance amount shall be payable in five equal monthly installments from the date of issue of letter of approval (LOA) which is 02 December 2010 and the balance restructured term loan of Rs.4,655 lakhs is to be converted into equity shares of Company as per SEBI Guidelines and 9% p.a interest shall be payable till the date of conversion.
 - b) Rs.15.69 lakhs (31.03.2011:Rs.103.86 lakhs) availed from Andhra Pradesh State Financial Corporation by a subsidiary and is secured by equitable mortgage of land and hypothecation of plant and machinery of the subsidiary which carries an interest rate of 15% per annum.
- iv) Vehicle loans from banks and others are secured by hypothecation of the vehicles financed through the loan arrangements and are repayable over a period of 3 months to 35 months.

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	6,580.81	6,577.47
Deferred tax asset:		
Provision for employee benefits	99.02	83.06
Provision for doubtful trade receivables, loans and advances	302.66	309.27
	401.68	392.33
Deferred tax liabilities (net)	6,179.13	6,185.14
Note 7: Other long -term liabilities		
Security deposits	85.21	85.21
Trade payables	8,621.42	-
	8,706.63	85.21
Note 8: Long-term provisions		
Provision for Employee benefits (<i>Refer Note No.28</i>)	207.11	216.55
Provision for estimated losses on derivative instruments	2,550.46	-
	2,757.57	216.55
Note 9: Short-term borrowings		
Loans repayable on demand		
Secured		
From Banks	55,626.14	50,248.99
Unsecured		
From Others	623.70	10,910.42
	56,249.84	61,159.41

Notes :

- i) Loans repayable on demand includes an amount of Rs. 55,026.14 lakhs (31.03.2011: Rs.45,436.16 lakhs) represent working capital loans from banks are inter alia secured by way of parri passu first charge on current assets and parri passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of certain directors.
- ii) Loans repayable on demand also include an amount of Rs.600 lakhs taken from Punjab National Bank which is secured by pledge of fixed deposit amounting to Rs.696 lakhs.
- iii) Unsecured loans from others in the previous period include certain trade payables to the extent of Rs.9,780.42 lakhs, have been converted into unsecured loans after obtaining the consent from the respective payees. These unsecured loans are repayable within a period of one and half year and carries an interest at the rate of 6% per annum.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 10: Trade payables		
Acceptances	29,547.52	21,356.29
Other than acceptances	44,111.67	19,964.78
	73,659.19	41,321.07
Note 11: Other current liabilities		
Current maturities of long-term debt (<i>Refer Note No.5 (i) to (iv)</i>)	9,710.85	8,228.15
Interest accrued but not due on borrowings	544.64	592.17
Interest accrued and due on borrowings	722.74	688.58
Other payables		
Statutory remittances	424.54	227.53
Payables on purchase of fixed assets	4.02	5.54
Advances from customers	8,157.38	1,240.57
	19,564.17	10,982.54
Note:		
During the year there are defaults in payments to SASF, however the same could not be quantified as the Company is in re-schedulement of dues as explained in Note 41 of the financial statements.		
Note 12: Short-term provisions		
Provision for employee benefits (<i>Refer Note No.28</i>)	98.07	39.41
Provision for current income tax (net)	2,465.37	2,657.77
Provision for fringe benefit tax	-	16.08
Provision for proposed dividend on CRPS	14.93	25.08
Provision for tax on proposed dividend	2.48	1.78
	2,580.85	2,740.12

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13A: Tangible Assets

Rupees in lakhs

DESCRIPTION	GROSS BLOCK (At Cost)					DEPRECIATION					NET BLOCK	
	As at 01 April 2011	Additions	Assets under slump sale (Refer Note No.36)	Deletions	As at 31 March 2012	As at 01 April 2011	For the year/period	Deletions	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011	
Land- Freehold	1,851.30	-	378.75	-	2,230.05	-	-	-	-	2,230.05	1,851.30	
Buildings	4,082.43	212.46	499.20	-	4,794.09	565.54	139.39	-	704.93	4,089.16	3,516.89	
Plant & Machinery												
Owned (Refer Note i)	48,196.00	6,676.04	2,077.50	602.98	56,346.56	12,334.63	4,304.39	572.48	16,066.54	40,280.02	35,861.38	
Given under operating lease (Refer Note ii)	1,402.96	-	-	412.48	990.48	985.60	71.02	347.85	708.77	281.71	417.35	
Electrical Installation	2,167.64	6.94	142.65	-	2,317.23	403.99	113.52	-	517.51	1,799.72	1,763.65	
Furniture & Fixtures	82.77	4.43	-	-	87.20	48.87	4.91	-	53.78	33.42	33.90	
Office Equipment	149.09	11.08	-	-	160.17	33.44	7.51	-	40.95	119.22	115.65	
Vehicles	607.20	38.55	-	-	645.75	208.45	55.17	-	263.62	382.13	398.75	
Computers	457.58	12.06	-	-	469.64	362.26	36.30	-	398.56	71.08	95.32	
Total (A)	58,996.97	6,961.56	3,098.10	1,015.46	68,041.17	14,942.78	4,732.21	920.33	18,754.66	49,286.51	44,054.19	
<i>Previous period</i>	46,188.39	15,556.09	-	2,747.51	58,996.97	8,509.30	7,073.59	640.11	14,942.78	44,054.19	-	

Notes: i) Depreciation for the year includes additional depreciation of Rs. 1,080.46 lakhs provided on moulds due to change in estimated useful life;

ii) Represents assets given under operating lease to Sujana Universal Industries Limited.

Note 13B: Intangible Assets

Rupees in lakhs

DESCRIPTION	GROSS BLOCK (At Cost)					AMORTISATION					NET BLOCK	
	As at 01 April 2011	Additions	Assets under slump sale (Refer Note No.36)	Deletions	As at 31 March 2012	As at 01 April 2011	For the year/period	Deletions	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011	
Goodwill	28.68	-	-	-	28.68	28.68	-	-	28.68	-	-	
Total (B)	28.68	-	-	-	28.68	28.68	-	-	28.68	-	-	
<i>Previous period</i>	28.68	-	-	-	28.68	28.68	-	-	28.68	-	-	
Grand Total (A+B)	59,025.65	6,961.56	3,098.10	1,015.46	68,069.85	14,971.46	4,732.21	920.33	18,783.34	49,286.51	44,054.19	
<i>Previous period</i>	46,217.07	15,556.09	-	2,747.51	59,025.65	8,537.98	7,073.59	640.11	14,971.46	4,054.19	-	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 14: Long-term loans and advances		
i) Unsecured and considered good		
a) Capital Advances	5,977.46	20,384.22
b) Security deposits	66.73	55.69
c) Advance income tax (net of provisions)	200.00	354.77
d) MAT credit entitlement	290.66	428.97
e) Deposits with government authorities	789.62	841.50
	(A)	22,065.15
7,324.47	7,324.47	22,065.15
ii) Doubtful		
a) Security deposits	2.90	2.90
b) Advances for supply of goods and rendering of services	349.02	349.02
c) Other advances	-	1.44
	351.92	353.36
Less: Provision for doubtful advances	351.92	353.36
	(B)	-
	(A+B)	-
	7,324.47	22,065.15
Note 15: Current investments		
(At lower of cost and fair value)		
Investment in mutual funds (Unquoted)		
SBI-Debt fund series - 370 Days - 3-dividend	-	75.00
Nil (31.03.2011:750,000 units purchased during the previous period)		
SBI - PSU fund dividend	5.00	5.00
50,000 (31.03.2011:50,000 units purchased during the previous period)		
Less: provision for diminution in the value of investment	(0.79)	(0.08)
	4.21	79.92
Aggregate amount of unquoted investments	5.00	80.00
Aggregate provision for diminution in the value of current investments	0.79	0.08
Note 16: Inventories (At lower of cost and net realisable value)		
Raw materials	3,225.14	1,767.65
Goods- in-transit	-	0.87
Finished goods	2,705.30	1,816.36
Goods- in-transit	-	68.57
Stock in trade	9,305.87	5,593.13
Stores and spares	1,006.24	973.02
	16,242.55	10,219.60

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

	As at 31 March 2012	As at 31 March 2011
Note 17: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	18,541.80	28,137.59
Considered Doubtful	580.94	588.51
Less: Provision for doubtful trade receivables	580.94	588.51
	(A)	18,541.80
Other trade receivables		-
Considered Good	141,936.89	80,895.71
Considered Doubtful	-	11.21
	141,936.89	80,906.92
Less: Provision for doubtful trade receivables	-	11.21
	(B)	141,936.89
	(A+B)	160,478.69
		109,033.30
Note 18: Cash and bank balances		
Cash and cash equivalents		
Cash on hand	50.19	113.76
Balances with Banks:		
In current accounts	1,328.52	1,036.08
In EEFC account	0.31	589.96
In Deposit accounts	-	771.83
Other bank balances		
In earmarked accounts		
Balance held as margin monies (<i>Refer note below</i>)	5,955.05	5,326.24
	7,334.07	7,837.87
Note: Balances with banks include deposits amounting to Rs. Nil (31.03.2011:Rs.696 lakhs) and margin monies amounting to Rs.1,449.50 lakhs (31.03.2011: Rs.1,317.54 lakhs) which have an original maturity of more than 12 months.		
Note 19: Short-term loans and advances		
(Unsecured and considered good unless otherwise stated)		
Loans and advances to related parties (<i>Refer Note No.30</i>)	1.60	-
Security deposits	13.38	79.41
Loans and advances to employees	32.69	33.76
Prepaid expenses	39.35	27.39
Balances with government authorities		
CENVAT credit receivable	1,809.77	1,500.29
VAT credit receivable	148.93	-
Advances for supply of goods and rendering of services (<i>Refer Note No.33</i>)	29,839.06	38,840.82
Other loans and advances	627.27	88.61
	32,512.05	40,570.28
Short term loans and advances include amounts due from:		
Directors	1.60	-
Note 20: Other current assets		
Interest accrued but not due on deposits	348.46	67.41
Miscellaneous expenses to the extent not written off	4.48	7.05
	352.94	74.46

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

 Year ended
31 March 2012

 Eighteen months
period ended
31 March 2011

Note 21: Revenue from operations
a) Sale of products

i) Manufactured goods		
- Domestic	72,995.66	79,182.04
- Exports	175.74	-
ii) Traded goods		
Domestic		
- Raw Materials	9,575.25	32,607.80
- Finished Goods	290,379.36	288,436.11
- Others	222.54	494.12
Exports		
- Steel and steel products	26,515.07	45,155.39
- Others	326.10	5,739.45

b) Other operating revenues

Sale of scrap	2,403.67	2,695.04
Conversion income	771.58	1,400.19
Total	403,364.97	455,710.14

Note 22: Other Income

a) Interest on deposit with banks and others	662.03	372.05
b) Liabilities/Provisions no longer required written back	224.99	32.58
c) Net gain on foreign currency transactions and translations	1,463.99	133.99
d) Dividend income from current investments	2.99	0.75
e) Profit on sale of fixed assets (net)	68.62	0.36
f) Rental income from operating leases	9.00	53.44
g) Miscellaneous income	20.09	316.60
	2,451.71	909.77

Note 23 a : Cost of materials consumed

Opening Stock	1,768.52	2,031.85
Add : Purchases	68,151.99	65,881.63
	69,920.51	67,913.48
Less : Closing stock	3,225.14	1,768.52
	66,695.37	66,144.96
Less : Transfer to capital work in progress	16.27	18.14
	66,679.10	66,126.82

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

Note 23.b : Details of purchase of traded goods

Particulars	Year ended 31 March 2012		Eighteen months period ended 31 March 2011	
	Qty (MT)	Rupees in lakhs	Qty (MT)	Rupees in lakhs
TMT Bars	322,183	128,941.70	358,159	103,572.59
MS Rebars	72,955	28,278.51	98,200	30,938.69
H R Coils and C R Coils	117,047	52,626.85	119,412	50,498.39
Deformed reinforced steel bars	56,569	19,147.62	124,143	38,050.97
MS steel secondary sections	81,247	25,106.06	97,646	30,756.42
Others	123,864	47,517.70	378,195	76,286.17
Total	773,865	301,618.44	1,175,755	330,103.23

Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade

Inventories at the beginning of the year:

Finished Goods	1,884.93	5,437.76
Work in progress	-	110.96
Stock in trade	5,593.13	11,845.73
	<u>7,478.06</u>	<u>17,394.45</u>

Inventories at the end of the year:

Finished Goods	2,705.30	1,884.93
Work in progress	-	-
Stock in trade	9,305.87	5,593.13
	<u>12,011.17</u>	<u>7,478.06</u>

Net (increase)/decrease

(4,533.11) **9,916.39**

Note 24: Employee benefit expenses

Salaries, wages and bonus	2,082.17	2,698.93
Contribution to provident and other funds	145.27	200.10
Staff welfare expenses	122.40	76.29
	<u>2,349.84</u>	<u>2,975.32</u>

Note 25: Finance Costs

Interest expense on		
Borrowings	15,177.18	17,098.55
Others		
- Interest on delayed payment of income tax	-	270.30
Other borrowing costs	4,807.16	3,700.34
	<u>19,984.34</u>	<u>21,069.19</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Rupees in lakhs

	Year ended 31 March 2012	Eighteen months period ended 31 March 2011
Note 26: Other expenses		
Consumption of stores, spares and consumables	1,318.68	2,549.92
Power and fuel	4,571.23	5,829.40
Other manufacturing expenses	205.74	381.81
Equipment hire charges	43.42	68.57
Job work charges	640.91	786.52
Increase/(decrease) of excise duty on inventory	121.57	(226.78)
Rent including lease rentals (Refer Note No.35)	109.25	258.88
Repairs and maintenance-Buildings	22.57	28.66
Repairs and maintenance-Machinery	62.89	175.81
Repairs and maintenance-Others	18.86	73.44
Insurance	67.24	707.67
Rates and taxes	202.62	199.83
Factory maintenance	48.93	89.46
Printing and stationery	23.69	46.41
Communication	55.30	88.36
Travelling and conveyance	227.22	313.01
Legal and professional	508.35	561.06
Payments to auditors	75.12	105.71
Security charges	92.96	156.88
Donations	26.91	238.52
Sales commission	230.41	13.87
Sales discount	101.75	221.17
Business promotion	296.33	411.25
Freight outwards	719.70	880.13
Directors' fees	3.20	2.95
Provision for doubtful trade receivables, loans and advances	202.47	213.69
Loss on sale of current investments	-	1.01
Adjustments to carrying amount of current investments	0.71	0.08
Preliminary expenses written off	2.56	3.85
Miscellaneous expenses	166.48	206.91
	10,167.07	14,388.05

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the Company	Percentage of voting power as at 31 March 2012	Percentage of voting power as at 31 March 2011	Country of Incorporation
Subsidiaries (held directly)			
Glade Steel Private Limited	51.15%	51.15%	India
Alpha Ventures Limited	100.00%	100.00%	Cayman Islands
Asian Tide Ventures Limited	100.00%	100.00%	Hong Kong
Subsidiary (held indirectly)			
Optimix Enterprises Limited (w.e.f 22.08.2011)	100.00%	-	Mauritius

28 Employee Benefits

Defined contribution plans:

The Company makes Provident Fund contribution to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.61.22 lakhs (31.03.2011: Rs.79.59 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the scheme.

Defined benefit plans:

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

- i. Gratuity
- ii. Compensated absences

Liability for retiring gratuity as on 31 March 2012 is Rs.230.25 lakhs (31.03.2011: Rs.192.75 lakhs) of which Rs.15.67 lakhs (31.3.2011: Nil) is funded with the Life Insurance Corporation of India. The balance of Rs.214.58 lakhs (31.03.2011: Rs.192.75 lakhs) is included in Provision for Gratuity.

The Liability for Gratuity and Cost of Compensated absences has been actuarially determined and provided for in the books.

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

Amount to be recognised in balance sheet

Rupees in lakhs

Particulars	Gratuity	Compensated Absences	Total
Present value of funded obligations	230.25	90.60	320.85
	192.75	63.21	255.96
Fair value of plan assets	(15.67)	-	(15.67)
	-	-	-
Net liability	214.58	90.60	305.18
	192.75	63.21	255.96

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Expenses to be recognised in Statement of Profit and Loss

Rupees in lakhs

Particulars	Gratuity	Compensated Absences	Total
Current service cost	34.42	27.39	61.81
	61.86	35.48	97.34
Interest cost	15.42	5.06	20.48
	16.70	3.42	20.12
Expected return on plan assets	(1.02)	-	(1.02)
	-	-	-
Actuarial (gains)/losses	(2.57)	4.69	2.12
	(3.94)	5.92	1.98
Total included in employee benefit expense	46.25	37.14	83.39
	74.62	44.82	119.44
Change in defined benefit obligations (DBO)			
Present value of DBO at beginning of period / year	192.75	63.21	255.96
	135.52	27.73	163.25
Current service cost	34.42	27.39	61.81
	61.86	35.48	97.34
Interest cost	15.42	5.06	20.48
	16.70	3.42	20.12
Actuarial (gains)/losses	(2.57)	4.69	2.12
	(3.94)	5.92	1.98
Benefits paid	(9.77)	(9.75)	(19.52)
	(17.39)	(9.34)	(26.73)
Closing defined benefit obligation	230.25	90.60	320.85
	192.75	63.21	255.96
Opening fair value of plan assets	-	-	-
	-	-	-
Expected return on plan assets	1.02	-	1.02
	-	-	-
Contributions by employer	16.02	-	16.02
	-	-	-

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Benefits paid	(1.37)	-	(1.37)
	-	-	-
Closing fair value of plan assets	15.67	-	15.67
	-	-	-
Assumptions			
Interest / Discount rate			8.60%
			<i>8.00%</i>
Expected return on plan assets			9.00%
			-
Rate of escalation in salary			6.00%
			<i>6.00%</i>
Attrition rate			3.00%
			<i>3.00%</i>

Note: Figures in italics relate to previous period

i) Discount Rate

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

ii) Expected Rate of Return on Plan Assets:

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

iii) Salary Escalation Rate

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

Rupees in lakhs

Net Asset/(Liability) recognised in Balance Sheet					
Particulars	2011-12	2009-11	2008-09	2007-08	2006-07
Gratuity					
Present value of defined benefit obligation	230.25	192.75	135.52	126.48	14.65
Fair value of plan assets	15.67	-	-	-	-
Surplus /(Deficit)	(214.58)	(192.75)	(135.52)	(126.48)	(14.65)
Compensated Absences					
Present value of defined benefit obligation	90.60	63.21	27.73	18.29	-
Surplus /(Deficit)	(90.60)	(63.21)	(27.73)	(18.29)	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29. Segment Reporting

The Group has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily manufacture and trading of steel and steel products. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Group are India and Others.

Information about primary business segments:

Rupees in lakhs

Particulars	Business Segments : Steel & Steel Products			
	Manufactured	Traded	Unallocable	Total
Revenue:				
Total External Sales	76,346.65	327,018.32	-	403,364.97
	<i>83,277.27</i>	<i>372,432.87</i>	-	<i>455,710.14</i>
Total Revenue	76,346.65	327,018.32	-	403,364.97
	<i>83,277.27</i>	<i>372,432.87</i>	-	<i>455,710.14</i>
Segment result before interest and tax	(1,097.88)	29,112.62	(3,211.61)	24,803.13
	<i>(2,821.84)</i>	<i>36,077.06</i>	<i>(7,218.71)</i>	<i>26,036.51</i>
Less: Finance costs	-	-	-	19,984.34
	-	-	-	<i>21,069.19</i>
Profit before taxes	-	-	-	4,818.79
	-	-	-	<i>4,967.32</i>
Taxes	-	-	-	473.70
	-	-	-	<i>2,675.91</i>
Profit after taxes	-	-	-	4,345.09
	-	-	-	<i>2,291.41</i>
Other information				
Segment Assets	71,986.71	191,637.12	16,406.63	280,030.46
	<i>78,579.91</i>	<i>138,895.53</i>	<i>17,575.77</i>	<i>235,051.21</i>
Segment Liabilities	13,746.03	75,574.95	108,059.89	197,380.87
	<i>6,628.85</i>	<i>12,717.11</i>	<i>142,732.77</i>	<i>162,078.73</i>
Cost incurred during the year to acquire segment assets	9,993.54	-	66.12	10,059.66
	<i>15,262.68</i>	-	<i>293.41</i>	<i>15,556.09</i>
Segment depreciation/amortisation	4,628.32	-	103.89	4,732.21
	<i>6,919.05</i>	-	<i>154.54</i>	<i>7,073.59</i>

Note: Figures in italics represent previous period

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Information about secondary segment : Geographical		2011-12	2009-11
Revenue (net of excise duty)			
India		335,212.98	374,805.28
Outside India		68,151.99	80,904.86
Total		403,364.97	455,710.14
Additions to Fixed Assets			
India		10,059.66	15,556.09
Outside India		-	-
Total		10,059.66	15,556.09
Segment assets			
India		213,454.08	191,638.02
Outside India		66,576.38	43,413.19
Total		280,030.46	235,051.21

30 Related Party Disclosure

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

List of Related Parties

Key Management Personnel

- | | |
|---------------------------|--------------------|
| i. Mr. R. K. Birla | Managing Director |
| ii. Mr. S. Hanumantha Rao | Executive Director |

Note: Related parties have been identified by the management.

Related Party Transactions:

Rupees in lakhs

Particulars	Key Management Personnel	
	2011-12	2009-11
A) Remuneration		
Mr. R.K.Birla - Managing Director	92.15	108.00
Mr. Hanumantha Rao- Executive Director	10.20	15.30
Total	102.35	123.30
Closing Balances		
B) Advances		
Mr. R.K.Birla	1.60	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31 Earnings Per Share

Rupees in lakhs

Particulars	2011-12	2009-11
Profit After Tax and Minority Interest	4,344.86	2,281.94
Less: Preference Dividend including tax thereon	17.41	29.24
Profit attributable to equity share holders	4,327.45	2,252.70
Profit attributable to equity share holders- for diluted EPS	4,327.45	2,252.70
Weighted average number of equity shares used in computing Basic Earnings per Share	196,350,881	171,639,557
Add: Effect of potential equity shares on conversion of share warrants and redeemable preference shares	-	6,992,102
Weighted average number of equity shares used in computing Diluted Earnings Per Share.	196,350,881	178,631,659
Earnings per share - Face Value: Rs.5 each		
Basic - Rs.	2.20	1.31
Diluted - Rs.	2.20	1.26

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

Rupees in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
a) Contingent liabilities		
i) Claims against the Company not acknowledged as debts in respect of:		
Excise Duty	1,823.36	1,888.95
Custom Duty	523.37	593.59
TNVAT/APGST/CST	1,979.39	4,286.66
Income Tax (Net of liability as per return)	1,037.07	-
FERA [Against which bank guarantee of Rs.215 lakhs (31.03.2011:Rs.215 lakhs) has been issued]	630.00	630.00
ii) Guarantees		
Corporate Guarantees furnished on behalf of Sujana Universal Industries Ltd	81,410.00	53,100.00
b) Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for on account of tangible assets [net of advances of Rs.5,275.96 Lakhs (31.03.2011:19,682.72 lakhs)]	-	9,059.74
ii. Export commitments on account of import of machinery and equipments at concessional duty under EPCG scheme Rs.672.96 Lakhs (31.03.2011 :Rs.672.96 Lakhs) .Such export commitments need to be fulfilled by the Company on or before 23 April 2016. As on 31 March 2012, the Company has fulfilled its export commitments and which are pending final approval of Director General of Foreign Trade. In the event of non-fulfillment of the export commitments by 23 April 2016 by the Company, the liability (excluding interest and penalties) towards customs duty	112.16	112.16

SUJANA METAL PRODUCTS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33 Scheme of Amalgamation

A Scheme of Amalgamation of M/s Lakshmi Gayatri Industries Private Limited, M/s Glade Steel Private Limited, M/s Sri Ganga Steel Enterprises Private Limited and M/s Topaz Steel India Limited with the Company with effective from 1 October, 2009 (being Appointed Date) has been approved by the shareholders and secured creditors of the Company in the extra ordinary general meeting held on 28 April 2011. The Company filed its main petition with the Hon'ble High Court of Andhra Pradesh for the sanction of Scheme of Amalgamation under Section 391 and 394 of the Companies Act, 1956, which was admitted on 15 July 2011. In view of pending order of High Court of Andhra Pradesh, the scheme has not been given effect in the Audited Financials of the Company for the financial year/period ended 31 March 2012 and 31 March 2011. Further the short-term loans and advances of Rs.774.77 lakhs (31.03.2011:Rs.5,202.50 lakhs) outstanding and receivable from these amalgamating companies as on 31 March 2012 are considered good for recovery by the management.

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

SASF vide their letter dated 02 December 2010 has confirmed a Negotiated Settlement (NS) for the aggregate balance of the term loans outstanding as on 31 December 2009 (being the cut-off date), to the extent of Rs.7,706.00 lakhs, in respect of: Sujana Steels Limited (since merged with the company), Sri Ganga Enterprises Limited (scheme of amalgamation consisting of its merger with the Company is awaiting High Court approval); Handum Industries Limited and Sarita Steels Limited, whose operating divisions were acquired by the Company under slump sale, on following terms and conditions:

- a) Rs.3,051.00 lakhs to be paid in cash, with a down payment and balance in 5 installments;
- b) The balance amount of Rs.4,655 lakhs is to be converted into equity shares of Company as per SEBI Guidelines and 9% p.a interest shall be payable till the date of conversion.

Further the Company vide its letter dated 21 March 2012 requested the SASF for modifications in the terms of negotiated settlement conveyed above vide letter dated 02 December 2010. The SASF vide its letter dated 02 April 2012 has agreed to extend the time till 31 March 2013, for conversion of Rs.4,655 lakhs together with interest at 9% p.a, from 01 April 2010, into equity, up to 31 March 2013. SASF also agreed to reschedule the payment of balance cash portion of settlement amount aggregating Rs.2,400 lakhs (subject to reconciliation) as under:

- a) Payment of 50 lakh per quarter during the first year commencing from 01 July 2012, payment of Rs.75 lakhs per quarter during the second year commencing from 01 July 2013 and balance amount shall be payable in 12 equal quarterly installments commencing from 01 July 2014.
- b) Interest @9% p.a on the settlement shall be payable along with the above installments.

Based on the negotiated settlement, a consolidated interest waiver of Rs.1,300 lakhs has been given by SASF. In view of pending amalgamation as said above, the Company has not accounted the term loan liability relating to amalgamating Company (payable to SASF) and the interest waiver to the extent of Rs.1,300 lakhs in the books during the year. The balance outstanding as at 31 March 2012 has not been confirmed by SASF.

- 35 The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.). The leasing arrangements, which are not non-cancellable, range between ten months and three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals Rs.109.25 lakhs (31.03.2011: Rs.258.88 lakhs) payable are charged as rent in to the statement of profit and loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

36 Acquisition of Unit of Handum Industries Limited

During the year, the Company acquired an operating unit from Handum Industries Limited on 'slump sale basis'. As part of this acquisition, the Company has taken over the outstanding dues of Rs. 2,168.30 lakhs payable to SASF (Stressed Assets Stabilization Fund), a division of IDBI. SASF had approved of the takeover of this loan and restructured the same to Rs. 1,050 lakhs which is part of the negotiated settlement as explained in Note No.34 of the financial statements.

The assets and liabilities taken over and whose values has been determined by means of a professional valuation except for borrowings are as follows:

Rupees in lakhs

Value of assets and liabilities acquired:		
Fixed Assets	3,098.10	
Short-term Loans and Advances	1,367.65	
Trade Receivables	4,428.69	
Long-term borrowings	(2,168.30)	6,726.14
Purchase consideration paid		3,940.00
Difference considered as capital reserve		2,786.14

- 37 The financial statements have been prepared for 12 months i.e.01 April 2011 to 31 March 2012 and are not strictly comparable with previous period's figures as the same is for 18 months period i.e., from 01 October 2009 to 31 March 2011.
- 38 The Revised Schedule VI has become effective from 01 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

R.K. Birla
Managing Director

S. Hanumantha Rao
Director

Place : Hyderabad
Date : 28 May 2012

V R Chary
Chief Financial Officer

Shaik Ibraheem
Company Secretary

INTENTIONALLY KEPT BLANK



SUJANA METAL PRODUCTS LIMITED

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

POSTAL BALLOT FORM

Sl.No. _____

Votes cast on Resolution nos 6,7 and 8 contained in the Notice of 22nd Annual General Meeting to be held on 22nd September, 2012.

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 resolutions 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 resolutions by placing the tick (✓) mark at the appropriate box below.

Resol- ution 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 372A of the Companies Act,1956 to make any loan and/or to make investment and/or to give any guarantee and/or to provide security.			
7	Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956 to lease, or transfer the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a).			
8	Special Resolution under Section 17 of the Companies Act, 1956 to shift the registered office of the Company from state of Andhra Pradesh to Tamilnadu.			

Place:

Date :

(Signature of the shareholder)

SUJANA METAL PRODUCTS 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 **21.09.2012**. 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 Saturday the 22nd day of September 2012 at the Venue of AGM and the resolutions 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

SI.No.	Description	Date
1.	Date of Appointment of Scrutinizer	11.08.2012
2.	Date on which consent given by the Scrutinizer to act as Scrutinizer	11.08.2012
3.	Date of Resolution of the Board of Directors, authorizing Managing Director and Company Secretary to be responsible for the entire Poll process	11.08.2012
4.	Date of Dispatch of notice	21.08.2012
5.	Date of completion of Dispatch of notice along with Postal Ballot	21.08.2010
6.	Last date for receiving Postal Ballot papers by Scrutinizer	21.09.2012
7.	Date of signing of the Minutes Book by the Managing Director in which the results of Ballot is recorded.	22.09.2012
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 of the meeting by the Scrutinizer	22.09.2012
9.	Date of handing over the Ballot papers to the designated authority	22.09.2012
10.	Date of Declaration of Results by the Chairman / Authorised Person	22.09.2012



SUJANA METAL PRODUCTS LIMITED

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

Member's Folio/Demat Number.....

No. of Shares held.....

PROXY FORM

I/We..... resident(s)

of being a member/members of SUJANA METAL

PRODUCTS 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 Second Annual General Meeting of the Company to be held on the 22nd September, 2012 at 11.30 A.M and at any adjournment thereof.

Signed this theday of 2012

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 METAL PRODUCTS LIMITED

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

Member's Folio/Demat Number.....

No. of Shares held.....

ATTENDANCE SLIP (for 22nd 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 Second Annual General Meeting to be held on 22nd September, 2012 at "Kohinoor", Taj Deccan, Road No. 1, Banjara Hills, Hyderabad - 500 034. Andhra Pradesh at 11.30 A.M.

To be signed at the time of handing over this slip

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

INVITATION FOR LUNCH

Members of the Company are invited to lunch at 12.30 p.m.,
on 22.09.2012 at the venue of the AGM.

PRINTED MATTER
BOOK - POST



If undelivered, please return to:

Sujana Metal Products Limited

Registered Office :

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

Phone: 040-23351882, 23351887

Website : www.sujana.com