



JAS-ANZ

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C. No. 1224-2007AQ-IND-RvA Rev.03

Neueon Towers Limited

(Formerly known as Sujana Towers Limited)

Date: 6th October, 2018

To

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

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2017-18 - Reg.

Pursuant to the Regulation 34 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2017-18 for your information and record.

Kindly acknowledge the same.

Thanking you,

Yours faithfully,

For NEUEON TOWERS LIMITED

P APSER HUSSEN
COMPANY SECRETARY



Encl: as above.

CIN: L40109TG2006PLC049743

Regd. Office:

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

Corp.&Admin. Office:

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



11th ANNUAL REPORT 2017 - 2018

NEUEON TOWERS LIMITED

(Formerly known as Sujana Towers Limited)

CORPORATE INFORMATION**BOARD OF DIRECTORS**

NON-EXECUTIVE CHAIRMAN	:	Shri M. V. Bhaskara Rao *
MANAGING DIRECTOR	:	Shri G. Srinivasa Raju
DIRECTORS	:	Shri S. Hanumantha Rao
		Shri A. S. Anand Kumar *
		Shri L. V. Rao*
		Shri Saravanan Muthu #
		Smt.G Umadevi*
		<i>*Independent,Non-Executive Directors</i>
		<i># Nominee from IDBI Bank</i>

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

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

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

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

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

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

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

VICE-PRESIDENT (FINANCE)	:	Smt. S. Kalyani
COMPANY SECRETARY	:	Shri Pathan Apser Hussien
STATUTORY AUDITORS	:	M/s. Venugopal & Chenoy

		Chartered Accountants,
		Tilak Road, Hyderabad.
INTERNAL AUDITORS		Shri M. Balarama Krishnaiah
		Chartered Accountant,
		Hyderabad.

NEUEON TOWERS LIMITED

COST AUDITORS	:	M/s Nageswara Rao & Co. Cost Accountants, Hyderabad
BANKERS	:	Andhra Bank Central Bank of India Exim Bank Limited IDBI Bank Limited Karnataka Bank Ltd Punjab National Bank UCO Bank
REGISTERED OFFICE	:	Survey No.321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist - 502 296 Telangana, India
CORPORATE OFFICE	:	5/A, Vengalrao Nagar, Hyderabad, Telangana- 500 038 Website: www.sujana.com
WORKS	:	(i) Plot No. 128 Part, Sy.No.172/B, I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (ii) Plot No. 10, 11 and 12, Sy. No.172 I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (iii) Plot No. 9, Sy. No.172/EE, U, UU, I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (iv) Plot No.8 B & C, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist, Telangana. (v) Sy. No. 321, Turkala Khanapur Village - 502 296, Hatnur Mandal, Sanga Reddy Dist, Telangana.
LISTING	:	EQUITY BSE Limited (BSE) PhirozeJeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) 5th Floor, Exchange Plaza Bandra (E), Mumbai - 400 051
REGISTRAR & SHARE TRANSFER AGENT	:	M/s. Bigshare Services Private Limited 306, Right Wing, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082 Phone No. 040-2337 4967 Email: bsshyd@bigshareonline.com Website: bigshareonline.com

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of Neueon Towers Limited (formerly known as Sujana Towers Limited) will be held on Saturday the 29th day of September, 2018, at the Registered Office of the Company at Survey No. 321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist-502296, Telangana, India, at 4.00 P.M., to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018, including the audited Balance Sheets as at March 31, 2018, the Statements of Profit and Loss and Cash Flow Statements for the financial year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri S Hanumantha Rao (DIN: 00118801), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To ratify the remuneration of the cost auditors for the financial year ending 31st March, 2019 and the in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus Service tax as applicable and reimbursement of actual expenses and out of packet expenses to be paid to M/s. Nageswara Rao & Co, (Membership No: 000332) Cost Auditors of the Company, for the financial year 2018-19, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board be

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

4. **To consider and re-appoint Shri G. Srinivasa Raju, as Managing Director & Key Managerial Person of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“Companies Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or reenactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and approval of Central Government, required if any, and such other consents and approvals as may be required, and as recommended by the Nomination and Remuneration Committee, consent of the Members of the Company be and is hereby accorded for re-appointment of Shri G. Srinivasa Raju (DIN: 00132249), as the Managing Director, a Whole time Key Managerial Personnel (KMP), of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company, for a period of 03 (three) Years, effective from, February 14, 2018 till February 13, 2021 and the remuneration, if any payable taking together with the remuneration received by Shri G. Srinivasa Raju for being Managing Director & Key Managerial Person of M/s. Sujana Universal Industries Limited, shall not exceed the limits as prescribed in the Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the terms of the re-appointment of Shri G. Srinivasa Raju shall be subject to revision by the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any

NEUEON TOWERS LIMITED

Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), from time to time during the tenure of the appointment, taking into account the performance of the Company, within the overall limit as provided in the provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Shri G. Srinivasa Raju, as Managing Director as provided in this resolution.”

“RESOLVED FURTHER THAT the remuneration specified above for Shri G. Srinivasa Raju, Managing Director may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act be modified, during the tenure of office as Managing Director, as may be agreed by the Board of Directors and Shri G. Srinivasa Raju.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to complete necessary statutory formalities to give effect to the resolution and to do all such acts, deeds, matter and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution from time to time and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, Andhra

Pradesh & Telengana”.

5. **To appoint Ms. G. Umadevi as an Independent Non-Executive Director of the Company for a term upto 5 years under Section 149 of the Companies Act, 2013) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 & 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] read with Regulation 17 of the SEBI(Listing Obligations And Disclosure Requirements) Regulations, 2015, Ms. G. Umadevi (DIN: 07958472), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors w.e.f. October 13th, 2017 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Ms. G.Umadevi for the Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years commencing from October 11th, 2017 to October 10th, 2022.”

6. **To continue the Directorship of Shri M V Bhaskara Rao, as Independent Director of the Company upto 29.09.2019, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any and subject to the approval of members of the Company, consent of the member the Company be and is hereby accorded for continuation of Directorship of Shri M V Bhaskara Rao, who

was reappointed as Independent Director of the Company for a period of 5 years at the 7th Annual General Meeting of the Company held on 30th September, 2014 till conclusion of 12th Annual General Meeting and who has attained the age of 78 years for the remaining period of his existing term of Directorship as Independent Director of the Company.”

7. To consider, approve the resolution under Section 180 (1) (a) of the Companies Act, 2013 for selling, leasing otherwise disposing off the assets of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in addition to the special resolution passed by the Members of the Company in their 24th Annual General Meeting held on 30th day of September, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the provisions of the Memorandum and Articles of Association of the Company and all other applicable rules, regulations, guidelines and other provisions of law, and also subject to all necessary approvals, consents, permissions and sanctions from the concerned authorities/bodies including Company's Secured Lenders and other persons holding encumbrance/charge, and subject to such terms and conditions as may be imposed by any of them, the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) to transfer, sell, assign, deliver or otherwise dispose-off,

from time to time, in one or more tranches, the whole or substantially the whole of the asset(s)/ undertaking(s) of the Company and/ or of its subsidiaries together with all tangible and intangible assets (including its investment in subsidiary companies), liabilities, contracts, books, ledgers, records, pertaining to accounts, finances, information technology, insurance policies, rights, government or regulatory licenses and permits, employees and all other rights and claims of the Company pertaining to the said asset(s)/ undertaking(s), on a slump sale basis or by any other mode as a going concern or otherwise, to any related or unrelated person(s)/ body(ies)/ entity(ies)/ company(ies), for such consideration(s) whether in cash or otherwise and on such terms and conditions and in such manner as the Board may in its absolute discretion decide or as it may deem fit.

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to make efforts to identify the potential buyer(s) either in India or abroad, to negotiate with them regarding the above transaction and authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle, approve, ratify and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalising and executing any agreements, writings, papers, memoranda, deed(s) of assignment/ conveyance, undertaking and/ or such other document(s) as may be necessary or expedient in their own discretion, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary and to do all necessary and incidental acts to give effect to this resolution.”

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

NEUEON TOWERS LIMITED

as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.”

By order of the Board

Place : Hyderabad
Date : 29th August, 2018

G. Srinivasa Raju
Managing Director
(DIN: 00132249)

NOTES:

1. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. The Share Transfer Books and Register of Members of the Company will remain closed on 27th September, 2018 (One Day only).
9. Details under SEBI (Listing Obligations & Disclosure Requirements) 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/ re-appointment.
10. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
11. The registration of share transfers and other related correspondence will be dealt at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a

golden opportunity for every shareholder of the Company on to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Companies RTA. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.

12. Electronic copy of the Annual Report for 2017-18 (including Notice of the 11th Annual General Meeting of the Company along with Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates with their respective Depository Participants to receive all the communications in electronic mode. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company RTA.
14. Members may also note that the Notice of the 11th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.sujana.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days.
15. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, circulars, etc., from the Company electronically.

16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

17. Instructions for members for voting electronically are as under:-

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or <https://www.neueontowers.com>.

The e-voting period commences on 25th September, 2018 (9:00 am) and ends on 28th September, 2018 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is

NEUEON TOWERS LIMITED

cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2018. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2018. May obtain the login ID and password by sending a request at evoting@nsdl.co.in or <https://www.neueontowers.com> or <https://www.bigshareonline.com>

The facility for voting through remote e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) For Members who hold shares in demat

account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).

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

nsdl.com.

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

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

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

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the

relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail yvavifcs@gmail.com to with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

- * Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

NEUEON TOWERS LIMITED

- * It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

By order of the Board

G. Srinivasa Raju
Managing Director
(DIN: 00132249)

Place : Hyderabad
Date : 29th August, 2018

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

The following statement sets out all material facts relating to the business mentioned in Item No. 03 to 07 of the accompanying Notice:

Item No. 3:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on 30th May, 2018, has approved the appointment and remuneration of the M/s. Nageswara Rao & Co, (Member Ship No: 000332) Cost Accountants in practice, as Cost Auditors of the Company to conduct the audit of the cost records of the Company across various segments, for the financial year ending 31st March, 2019 on a remuneration of Rs. 25,000/- (Rupees Twnty Five Thousand Only) plus Service tax as applicable and reimbursement of actual expenses and out of packet expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

Item No. 4

Shri G Srinivasa Raju, aged 55 years, holds Bachelor's Degree in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. He also holds a Master Degree in Engineering from Roorke University. Shri G Srinivasa Raju has about 29 plus years of professional experience in manufacturing sector and immense knowledge in the steel & related products business.

Brief resume of Shri G Srinivasa Raju, nature of his expertise in specific functional areas, names of companies in which he holds directorships and

memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Regulation 17 of Listing Regulations with the Stock Exchanges, has been provided and forming part of the Annual Report of the Company.

On the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company ("Board") at its meeting dated 14th February, 2018 re-appointed Shri G Srinivasa Raju as the Managing Director of the Company for a period of 3 (three) Years with effect from 14th February, 2018.

It is now proposed to seek the Shareholders' approval for re-appointment of Shri G Srinivasa Raju as Managing Director, liable to retire by rotation and a Key Managerial Personnel, in terms of the applicable provisions of the Companies Act, 2013 ("Act") with effect from 14th February, 2018 for a period of three years, on the existing terms and conditions set out below:

During the current financial year, your Company has incurred a net Loss of Rs. 46263.32 lakhs, In case of losses or inadequacy of profits in any financial year during his tenure as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time subject to the Compliance thereof but in any event shall not exceed the limit of remuneration payable when the profits of the Company are adequate

In accordance with the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013, approval of shareholders is required for re-appointment of Shri G Srinivasa Raju.

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

Statement as per Section II of Part II of Schedule V of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION

1. Nature of Industry:

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

2. Date of commencement of commercial

production:

The Company was incorporated on 6th April, 2006 vide Corporate Identity Number U40109AP2006PLC049743, and has obtained its certificate of Commencement on 12th September, 2006.

3. Financial performance based on given indicators:

Particulars	FY 2017-18 (Rs in lakhs)	FY 2016-17 (Rs in lakhs)
Total Revenue	6479.35	20721.55
Total Expenses	50460.70	66724.86
Profit After Tax	(46263.32)	(49192.22)
Dividend Rate	-	-

4. Export performance and net foreign exchange collaborations:

Particulars	FY 2017-18 (Rs in lakhs)	FY 2016-17 (Rs in lakhs)
Export FOB Value	NIL	NIL
Earnings in Foreign Exchange	NIL	NIL

5. Foreign investments or collaborators, if any: During the Year Nil

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. G. Srinivasa Raju is a Promoter-Director of Company aged 55 years and holds Bachelor's Degree in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. He also holds a Master Degree in Engineering from Roorke University. He has contributed to the Company with his rich and vast industrial experience, including the management of granite units. His wide exposure to the steel products industry has helped the Company to diversify in many new products and achieve quality and standard products, his knowledge of deep understanding of all the aspects of business administration has helped the Company in many ways.

2. Past Remuneration: Nil

3. Job profile and his suitability

Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted

NEUEON TOWERS LIMITED

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

Shri. G. Srinivasa Raju is a Promoter of the Company and being assigned the role and responsibilities of Managing Director of the Company, with his rich and vast industrial experience in management of steel production and estimating the demands and need of the markets has helped the company in various ways, his deep understanding of the aspects of business administration has also added advantage to the company for the internal management and control. Sujana Towers Limited was one of his brain-child and he played a key forced in the emerging of Sujana Towers Limited from Sujana Metal Products Limited through Demerger by High Court approval.

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

4. Remuneration

There is no remuneration proposed in the Company, however Shri G Srinivasa Raju is drawing Rs.48,00,000/- (Forty Eight Lakhs Only) per annum from M/s. Sujana Universal Industries Limited for also being Managing Director of M/s. Sujana Universal Industries Limited.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Not Applicable
6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

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

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

III. OTHER INFORMATION

1. Reason of inadequate profits:
 - Slowdown in the business due to challenging market conditions and delayed realization, increase in raw material consumption, overall reduction in quantitative discounts.
 - Delay in Sanction of adequate working capital by Banks. Non Release of working capital sanctioned by the banks. which is severely affecting the operations of the Company.
2. Expected increase in productivity and profits in measureable terms:
 - Repayments of high interest debts in a phased manner.
 - Efforts to improve the working capital of the Company.
 - Sale of high debt burden units i.e Telecom Towers Businss and establishment as a key player in the sector of TSF and

Structured Steel manufacturing.

Item No. 5

Ms. G. Umadevi has been appointed as Additional (Independent) Director of the Company, pursuant to the provisions of Section 149 of the Companies Act, 2013.

Independent Directors' as defined in Section 149 of the Act, which has been notified w.e.f. 1st April 2014, who are not liable to retire by rotation and shall hold office for a term up to 5 (five) consecutive years.

In pursuant to the provisions of Section 149, 152 & 161 of the Act and the Articles of Association of the Company and Regulation 17 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015, the Board of Directors of the Company proposed to appoint Ms. G. Umadevi as an Independent Non-Executive Director for a term up to 5 (five) consecutive years w.e.f. 11th October, 2017 to 10th October, 2022 subject to her election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Ms. G. Umadevi as Independent Director of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. G. Umadevi as an Independent Director, the following resolution is proposed to be passed at the meeting:

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue

the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Shri M V Bhaskara Rao, aged 78 years, was reappointed as an Independent Director of the Company at the 7th Annual General Meeting of the Company held on 30th September, 2014 for a period of five years.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and considering the experience and knowledge of Shri M V Bhaskara Rao, it is proposed to recommend the continuation of Directorship of Shri M V Bhaskara Rao, as Independent Director for the remaining period of his term (upto 29.09.2019).

Item No. 7

Your Company "M/s Neueon Towers Limited" (Hereinafter referred to as "NTL") have availed loans from various banks, financial Institutions and other lenders, both domestic and overseas, pursuant to the respective financing documents entered into with them.

The Company has been facing financial crunch based on factors which influenced the performance of the Company as mentioned below:

- Political unrest in Andhra Pradesh in the form of Telangana agitation badly affected the working of units of NTL, as majority of manufacturing facilities were located in united A.P.
- Continuous interruption in power supply leading to loss of production and slow down in power industry which resulted in delayed collections from customers leading to cash flow mismatch. Company thus was unable to meet its obligations which resulted in LC devolvement.
- Due to certain factors which were beyond the control of the Company and its promoters, Your Company was advised by its lenders for restructuring of its debt. The proposal for restructuring was approved by the CDR EG in

NEUEON TOWERS LIMITED

March 2013.

The CDR package could not be implemented and the recovery of the Company was taking additional time due to continued slowdown in the industry. This has led to lower capacity utilization and significant built-up of receivables on account of delayed realization from customers, which was triggered by the failure of the Company to complete the orders. Liquidity position of the Company was thus severely affected and hence its inability to meet its debt servicing requirements.

In view of the above, it is thought fit to request the Lenders to consider One Time Settlement of the dues and settle the dues by sale of assets to any potential buyer(s) at a consideration as may be determined by the Independent Valuers and decided by the Board subject to the approval of members of the Company. As per provisions of Section 180(1) (a) of the Companies Act, 2013, the Company cannot, except with the consent of the shareholders by way of special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Also, in terms of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting. Further, Regulation 24(6) of SEBI Listing Regulations, provides that no company shall sale, dispose of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing a special resolution in its general meeting.

The Company proposes to transfer, sell, assign, deliver or otherwise dispose-off, from time to time, in one or more tranches, the whole or substantially the whole of the asset(s)/ undertaking(s) of the Company and/ or its subsidiaries as set out in the resolution at Item No. 7 and requires approval of

the members of the Company by way of a special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

By order of the Board

G. Srinivasa Raju
Managing Director
(DIN: 00132249)

Place : Hyderabad
Date : 14th August, 2018

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

Name of Director	Shri S. Hanumantha Rao	Smt G. Uma Devi	Shri G. Srinivasa Raju	Sri M V Bhaskara Rao
DIN	00118801	07958472	00132249	01526381
Date of Birth	18.07.1951	21.07.1973	20.10.1963	13.04.1940
Date of Appointment	06.04.2006	11.10.2017	06.04.2006	03.09.2007
Expertise in specific functional areas	Shri S. Hanumantha Rao has been on the Board of Directors of the Company since 18.07.2005. He did his B.Tech and AICWA also he has worked for more than 20 years in State Bank of India, moreover 3 years as Financial and Management Consultant.	She is having vast experience in Human Resource and Business Development activities in Multinational organizations. She worked with leading Multinational Pharmaceutical Company Dr. Reddy's Laboratories Ltd. During her career with Dr. Reddy's she had an opportunity to understand and solve the worker's union problems by designing various employee welfare schemes and instrumental in implementing in order to achieve healthy and profitable environment. She is a Social Worker and she was a Member of Central Board of Film Certification (CBFC).	He is a Promoter Director of the company. He has a rich and varied industrial experience, which also includes the management of granite units. Mr. G. Srinivasa Raju has wide exposure to the steel products industry; he also possesses a deep understanding of all the aspects of business administration. Presently, he is the managing director of SUIL. Mr. G. Srinivasa Raju has joined as one of the promoters in the year 1995.	Shri M.V. Bhaskara Rao is an Independent Director of Neueon Towers Limited. He is 70 years and a Retired Indian Police Service (IPS). He did his Master Degree in Economics and Diploma in Business Management. He got an award of Indian Police Medal for Meritorious Service in 1990. He completed more than 32 years of service in various capacities of Indian Police Service and retired as Director General, Civil Defence on 9th June, 1997.
Qualifications	B.Tech., A.I.C.W.A. (Associate ICWAI)	Masters Degree in Social Work from Andhra Loyola College, Vijayawada, Andhra Pradesh	Post graduate in mechanical engineering with specialization in Machine designs from Roorkee University	IPS
Directorship held in other public companies (excluding foreign companies)	Splendid Metal Products Limited Sujana Holding Limited Sujana Projects Limited Sujana Energy Limited Sujana Power (India) Limited Sujana Universal Industries Limited	Sujana Universal Industries Limited Splendid Metal Products Limited	Sujana Universal Industries Limited Sujana Holdings Limited Sujana Projects Limited Sujana Energy Limited Sujana Capital Services Limited Splendid Metal Products Limited	Metkore Alloys & Industries Limited
Membership / Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders' / Investors' Grievance Committee) C=Chairman, M=Member	Management Committee: Splendid Metal Products Limited Sujana Universal Industries Limited Audit Committee: Splendid Metal Products Limited Sujana Universal Industries Limited Shareholders' Grievance Committee: Splendid Metal Products Limited Sujana Universal Industries Limited	Audit Committee: Sujana Universal Industries Limited(M).	Shareholders' Grievances Committee: Splendid Metal Products Limited Sujana Universal Industries Limited	Nil
Shareholdings in the Company	7000	Nil	10184	Nil
Relationship between Directors inter-se	Nil	Nil	Nil	Nil

NEUEON TOWERS LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

The Directors have pleasure in presenting their Report and the Audited Financial Statements of your Company for the year ended 31st March, 2018. Your Directors hereby report that the Company has achieved a turnover of Rs. 6,477.89 lakhs upto 31.03.2018 as against the turnover of Rs. 20,706.05 lakhs during the previous financial year ended 31.03.2017.

Company's Performance:

(Rs. in lakhs)

Particulars	Financial Year ended 31st March, 2018	Financial Year ended 31st March, 2017
Profit before Depreciation and Interest	(34554.32)	(7,268.26)
Interest	35.87	29,246.53
Depreciation	9391.16	9,488.52
Profit before tax	(43981.35)	(46,003.31)
Provision for		
- Current tax	-	-
- Deferred tax	2281.98	3188.91
Profit after tax	(46263.33)	(49,192.22)
Dividend on CRPS	-	-
Profit carried to Balance Sheet	(46263.33)	(49192.22)

Review of Operations:

Operations stood at an all time low, since the inception of the Company. Notwithstanding positive market conditions, your Company is unable to capitalize on them due to the financial constraints. It's inability to complete the existing contracts on hand is also acting as an impediment in procuring new contracts. However, all these are expected to be obliterated once the present debt-restructuring initiative gets completed. Most of the capacity of the Company remain unutilized for want of resources. There are overdues payable to the lenders as mentioned in the Auditors' Report. The Company has approached lenders for resolution of financial problems by way of CDR/SDR route and the same could not yield positive results and presently, OTS proposal by the prospective strategic investors, is put forth before the lenders. If this is accepted by the lenders, your Company is hopeful of reviving its operations in full swing.

However, a Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for approving the Sale / Disposal of Asset(s)/Undertakings of the Company and/or its subsidiaries has been set out in the Notice calling for the ensuing Annual General Meeting to be held on 29.09.2018 for the purpose of clearing the dues of the lenders under One Time Settlement as may be agreed by the Lenders.

Subsidiary Companies:

Your Company has the following Wholly Owned Subsidiaries:

A) Digitech Business Systems Ltd:

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

B) Telesuprecon Limited:

Your Company had acquired 51% of the shareholdings of M/s Telesuprecon Limited, a GBL 2 Company incorporated in Mauritius. M/s Telesuprecon Limited has branches in three countries viz., Malawi, Zambia and Kenya, providing telecom infrastructure services to Telecom operators. The Telecom Business in Africa was slowdown and many contracts were kept pending due to Global recession. We hope for the improvement of the situation during the next year. As per the law prevailing in Mauritius, financial statements of M/s Telesuprecon Limited are not required to be audited.

C) STL Africa Limited:

Since there are no operations, company is trying various means to revive the same.

Consolidated Financial Statements:

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

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

Particulars of Loans, Guarantees or Investments:

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

Deposits:

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

Industrial Relations:

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

Meetings:

During the year under review 4 (Four) board meetings were held on 30th May, 2017, 14th August, 2017, 14th November, 2017 and 14th February, 2018. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Directors:

During the year under review, the Board has appointed Smt G. Umadevi, as an Additional Director (Independent Director) w.e.f. 11th October, 2017 and now it is recommended her appointment to be regularised and appointed her as an Independent Director under Section 149 of the Companies Act, 2013 to hold office for 5 (Five) consecutive years w.e.f. 30th September, 2016.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Shri S.

Hanumantha Rao, the Director of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013, Shri G.Srinivasa Raju has been re-appointed as Managing Director of the Company for a period not exceeding three years w.e.f 14th February, 2018 by the Board of Directors at their meeting held on 14th February, 2018.

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

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The following persons are Key Managerial Personnel of the Company:

1. Shri G. Srinivasa Raju, Managing Director
2. Shri S. Kalyani, Vice-President (Finance)
3. Shri Pathan Apser Hussen, Company Secretary

During the year Shri Ch Mallikarjuna resigned as Company Secretary w.e.f. 30.11.2017 and Shri Pathan Apser Hussen has been appointed as Company Secretary w.e.f. 30th May, 2018.

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

Related Party Transactions:

The Board of Directors, on recommendation of the Audit Committee framed a policy for Related Party Transactions which includes matters covered u/s 178(3) of the Companies Act, 2013. The details of

NEUEON TOWERS LIMITED

the same are provided in the Corporate Governance Report. The Policy is also posted in the Investors section of the Company's website.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The requisite details of the related party transactions entered into during the financial year are provided in **Annexure (II)** included in this report.

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

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

Audit Committee:

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

Sexual Harassment Policy:

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

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

Corporate Social Responsibility:

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

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

Risk Management:

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

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

Directors' Responsibility Statement:

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

Statutory Auditors:

Members of the Company at the Annual General Meeting ('AGM') held on 29th September, 2017, approved the appointment of M/s. Venugopal & Chenoy (Regn. No. 004671S), Chartered Accountants, Hyderabad, as Statutory Auditors of the Company to hold office from the conclusion of 10th Annual General Meeting of the Company till the conclusion of the 15th Annual General Meeting of the Company. M/s. Venugopal & Chenoy has

audited the book of accounts of the Company for the Financial Year ended March 31, 2018 and have issued the Auditors' Report thereon.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors. However, M/s. Venugopal & Chenoy has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and accordingly M/s. Venugopal & Chenoy will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

The Audit Report issued by the Statutory Auditors for the financial year ended 31st March, 2018 forms part of this Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors which requires explanation or comments from the Board.

Cost Auditors:

M/s. Nageswara Rao Co., Cost Accountants, (Member Ship No Firm No.000332) Hyderabad were re-appointed as Cost Auditors of the Company for the Year 2018-19 as per the provisions of the Companies Act, 2013 and the rules made there under.

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

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

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed Shri Y Ravi Prasada Reddy, Practicing Company Secretary (CP. No 5360) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report issued by Shri Y Ravi Prasada Reddy Practicing Company

Secretaries for the financial year ending 31st March, 2018 is given in the **Annexure (V)** attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

Extract of Annual Return:

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

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

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

Environment and Social Obligation:

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

Particulars of Employees:

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

Vigil Mechanism:

The Board of Directors, on recommendation of the Audit Committee, established a vigil mechanism by framing a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination shall be meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee

NEUEON TOWERS LIMITED

Chairman can be directly contacted to report any suspected or confirmed incident of fraud/misconduct.

Remuneration Policy:

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

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

Board Evaluation:

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

- Structured evaluation forms, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- The Board also provided an individual feedback to the concerned director on areas of improvement, if any.
- A separate meeting of Independent Directors was held on 30th March, 2018 to evaluate the performance of the Chairman, the Non Independent Directors, the Board and flow of information from management

Human Resource Management:

Human Capital has gained prime importance in last few years. Our Company believes that the human capital is of utmost importance to sustain the market leadership in all product segments and also to capture new markets. We have changed the Organisation Structure to optimise best resources & to leverage the market potential. We have identified the high Performers and rewarded them appropriately, which has helped to achieve better employee engagement.

Dividend:

As per the terms of issue of Cumulative Redeemable Preference Shares (CRPS), your Company is required to pay the dividend of Rs. 2,96,800/- (Previous year Rs. 1,24,203/-) which represents 1% on 2,96,795 Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each to the holders of Cumulative Redeemable Preference Shares for the year under review. However, the Company has also not provided any provision of dividend tax.

With an unprecedented raise costs and interrupted supplies and power cuts, operations are severely hit. The Company's operations also hampered during the year. As a result the profit of the Company was declined and your director's are not proposing any equity dividend during the year.

Quality:

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

Material Changes and Commitments:

There are no significant and material orders passed during the year.

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

There are no significant and material orders passed during the year.

Internal Control Systems and their adequacy:

Your Company has an effective Internal Control System to prevent fraud and misuse of Company's

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

Corporate Governance:

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

Acknowledgment:

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

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

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

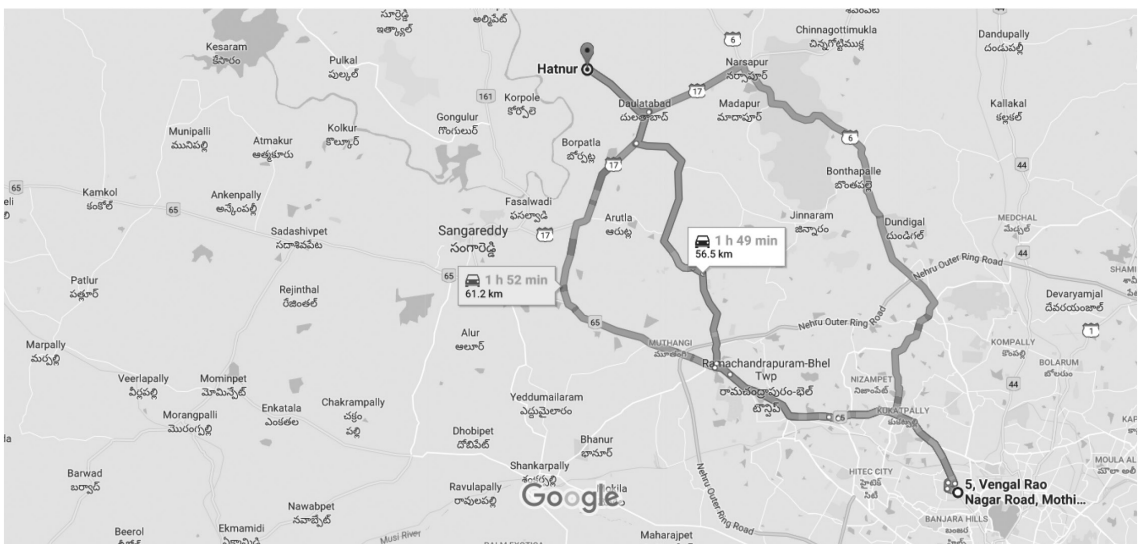
BY ORDER OF THE BOARD

G.Srinivasa Raju
Managing Director
(DIN: 00132249)

S.Hanumantha Rao
Director
(DIN: 00118801)

Place: Hyderabad
Date: 29th August, 2018

Route Map to the AGM Venue : 5A, Vengal Rao Nagar, Ameerpet to Hatnur, Telangana, India.



NEUEON TOWERS LIMITED

Annexure - I FORM AOC-1

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

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

Part “A” : Subsidiaries

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

1. Sl.No.	1	2	3
2. Name of the Subsidiary	Digitech Business Systems Limited	STL Africa Limited	Telesuprecon Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1USD = Rs.64.84	1USD = Rs.64.84	1USD = Rs.64.84
5. Share Capital	19,385.44	0.07	0.65
6. Reserves & Surplus	435.35	13,386.10	(8,315.79)
7. Total Assets	19,820.79	13,386.17	804.02
8. Total Liabilities	19,820.79	13,386.17	804.02
9. Investments	-	-	-
10. Turnover	866.14	-	-
11. Profit before taxation	5.36	-	-
12. Provision for taxation	-	-	-
13. Profit after taxation	5.36	-	-
14. Proposed Dividend	-	-	-
15. % of shareholding	100	100	51

Part “B”: Associates and Joint Ventures

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

NOT APPLICABLE

By order of the Board

G.Srinivasa Raju
Managing Director
(DIN: 00132249)

S.Hanumantha Rao
Director
(DIN: 00118801)

Place: Hyderabad
Date : 14th August, 2018

Annexure - II
Details of Related Party Transactions

Form No. AOC-2

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

1. **Details of contracts or arrangements or transactions not at arm's length basis :** No transactions.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
1	Splendid Metal Products Ltd, Common Director	Sales	One year	Rs. 529.94 Lakhs	Not Applicable	Nil
2	Splendid Metal Products Ltd, Common Director	Purchases	One year	Rs. 77.67 Lakhs	Not Applicable	Nil
3	Sujana Universal Industries Limited, Common Director	Sales	One year	-	Not Applicable	Nil
4	Sujana Universal Industries Limited, Common Director	Purchases	One year	-	Not Applicable	Nil

By order of the Board

Place: Hyderabad
Date : 29th August, 2018

G.Srinivasa Raju
Managing Director (DIN: 00132249)

S.Hanumantha Rao
Director (DIN: 00118801)

Annexure - III
Annual Report on Corporate Social Responsibility (CSR) activities

1. **Average net profit of the Company for last three financial years:** Rs.(36670.43) lakhs
2. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. Nil

By order of the Board

Place: Hyderabad
Date : 29th August, 2018

G.Srinivasa Raju
Managing Director (DIN: 00132249)

S.Hanumantha Rao
Director (DIN: 00118801)

Annexure - IV

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, and on the basis of compliance certificate received from the executives of the Company and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- I. That in preparation of the Annual Accounts for the year ended 31st March, 2018; all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures, if any.
- II. That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company is Rs. 46263.32 lakhs for the financial year ended 31st March, 2018.
- III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. That the Annual Accounts for the year ended 31st March, 2018, has been prepared on a going concern basis.
- V. That proper internal financial control were in place and that the financial controls were adequate and were operating effectively.
- VI. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

By order of the Board

G.Srinivasa Raju
Managing Director
(DIN: 00132249)

S.Hanumantha Rao
Director
(DIN: 00118801)

Place: Hyderabad
Date : 29th August, 2018

Annexure - V**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

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

To

The Members of **M/s. Neueon Towers Limited** (Formerly known as Sujana Towers Ltd)
Sy. No.321, Turkala Khanapur Village, Hatnur Mandal, Sanga Reddy Dist., Telangana – 502296.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2018 (i.e. from 1st April, 2017 to 31st March, 2018) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:
 - a. The Companies Act, 2013 (the Act) and the rules made there under;
 - b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company is into general manufacturing sector.
4. We have also examined compliance with the applicable clauses/regulations of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
 - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

NEUEON TOWERS LIMITED

the Uniform Listing Agreements entered into with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

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

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place: Hyderabad
Date: 29th May, 2018.

For RPR & ASSOCIATES

Company Secretaries

Y. Ravi Prasada Reddy, Proprietor
FCS No.5783, CP No. 5360

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

ANNEXURE

To

The Members of **M/s. Neueon Towers Limited** (Formerly known as Sujana Towers Ltd)
Sy. No.321, Turkala Khanapur Village, Hatnur Mandal, Sanga Reddy Dist., Telangana – 502296

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

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

For RPR & ASSOCIATES

Company Secretaries

Y. Ravi Prasada Reddy, Proprietor
FCS No.5783, CP No. 5360

Place: Hyderabad
Date: 29th May, 2018.

Annexure - VI**EXTRACT OF ANNUAL RETURN**

As on Financial Year Ended on 31.03.2018

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

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Digitech Systems Private Limited	NA	HOLDING	51	Section 2(87)
2	STL Africa Limited	NA	HOLDING	100	Section 2(87)
3	Telesuprecon Limited	NA	HOLDING	100	Section 2(87)

*WOFS - Wholly Owned Foreign Subsidiary.

NEUEON TOWERS LIMITED

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

(i) Category-wise Shareholding

Category code	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	Total	
(A)	Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	2,02,841	1,357	2,04,198	0.36	2,02,841	1,357	2,04,198	0.36	
(b)	Central Government/ State Government(s)									
(c)	Bodies Corporate	2,08,70,245	-	2,08,70,245	36.91	2,08,70,245	-	2,08,70,245	36.91	
(d)	Financial Institutions/ Banks	0	-	-	-	0	-	-	-	-
(e)	Any Other (specify)	0	-	-	-	0	-	-	-	-
	Sub-Total (A)(1)	2,10,73,086	1,357	2,10,74,443	37.27	2,10,73,086	1,357	2,10,74,443	37.27	-
2	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	-	-	-	-	-	-	-	
(b)	Bodies Corporate	0	-	-	-	-	-	-	-	
(c)	Institutions	0	-	-	-	-	-	-	-	
(d)	Qualified Foreign Investor	0	-	-	-	-	-	-	-	
(e)	Any Other (Specify)	0	-	-	-	-	-	-	-	
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	2,10,73,086	1,357	2,10,74,443	37.27	2,10,73,086	1,357	2,10,74,443	37.27	-
(B)	Public Shareholding									
1	Institutions	0	-	-	-	0	-	-	-	-
(a)	Mutual Funds/ UTI	0	-	-	-	0	-	-	-	-
(b)	Financial Institutions/Banks	5,00,100	-	5,00,100	0.88	5,00,100	-	5,00,100	0.88	-
(c)	Central Government/State Government(s)	0	-	-	-	0	-	-	-	-
(d)	Venture Capital Funds	0	-	-	-	0	-	-	-	-
(e)	Insurance Companies	0	-	-	-	0	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	0	-	-	-	-
(g)	Foreign Venture Capital Investors	0	-	-	-	0	-	-	-	-
(h)	Qualified Foreign Investor	0	-	-	-	0	-	-	-	-
(i)	Any Other (specify)	0	-	-	-	0	-	-	-	-
	Sub-Total (B)(1)	5,00,000	100	5,00,100	0.88	5,00,100	100	5,00,100	0.88	-
B2	Non-Institutions									
(a)	Bodies Corporate	72,95,949	24,582	73,20,531	12.95	66,55,480	66,32,180	23,300	11.77	(1.18)
(b)	Individuals –									
I	i. Individual shareholders holding nominal share capital up to Rs.2 lakh.	1,22,68,284	2,96,818	1,25,65,102	22.22	1,31,62,377	1,28,65,559	2,96,818	23.28	1.06
II	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakh.	1,33,72,344	-	1,33,72,344	23.65	1,43,65,046	1,43,65,046	-	25.40	1.75
(c)	Qualified Foreign Investor	0	-	-	-	-	-	-	-	-
(d)	Foreign Body Corporate	0	-	-	-	0	-	-	-	-
(d1)	Clearing Members	12,00,172	-	12,00,172	2.12	2,47,781	-	2,47,781	0.44	(1.68)
(d2)	NRI	4,79,700	-	4,79,700	0.85	5,39,323	-	5,39,323	0.95	0.10
(d3)	OCB's	0	-	-	-	0	-	-	-	-
(d4)	Trust	0	-	-	-	2	-	2	0.00	0.00
(d5)	GDR	0	-	-	-	0	-	-	-	-
	Sub-Total (B)(2)	3,46,16,449	3,53,560	3,49,37,849	61.85	3,49,70,009	3,38,62,785	11,07,224	61.84	0.05
	Total Public Shareholding (B) = (B1 +B2)	3,51,16,449	3,53,560	3,54,37,949	62.73	3,54,70,109	3,38,62,785	16,07,324	62.72	0.05
	TOTAL (A) + (B)	5,61,89,535	3,53,560	5,65,12,392	100.00	5,65,43,195	3,38,64,142	2,26,81,767	100.0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued.	0	-	-		0	0	-		
	Sub-Total (C)	0	-	-		0	0	-		
	GRAND TOTAL (A)+(B)+(C)	5,61,89,535	3,55,017	5,65,44,552	100.00	5,60,43,095	5,01,457	5,65,44,552	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

Shareholders Name	Shareholding at the beginning of the year - 01.04.2017			Shareholding at the end of the year - 31.03.2018			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Shri Y.S.Chowdary	1,85,657	0.33	0.33	1,85,657	0.33	0.33	-
Shri G Srinivasa Raju	10,184	0.02	0.02	10,184	0.02	0.02	-
Shri S Hanumantha Rao(trustee for 1357 fraction of shares)	8,357	0.01	0.01	8,357	0.01	0.01	-
Sujana Finance and Trading Private Limited	3,76,435	0.67	0.67	3,76,435	0.67	0.67	-
Yelamanchili Finance and Trading (p) Ltd	47,67,500	8.43	8.43	47,67,500	8.43	8.43	-
Sujana Holdings Limited	1,01,29,629	17.91	17.91	1,01,29,629	17.91	17.91	-
Foster Infin and Trading Private Limited	50,95,999	9.01	9.01	50,95,999	9.01	9.01	-
Sujana Capital Services Limited	682	0.00	0.00	682	0.00	0.00	-
Sujana Pumps and Motors Private Limited	5,00,000	0.88	0.88	5,00,000	0.88	0.88	-
TOTAL	2,10,74,443	37.27	37.27	2,10,74,443	37.27	37.27	-

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

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01-04-2017		2,10,74,443	37.27%	-	-
2	At the end of the year	31-03-2018		-	-	2,10,74,443	37.27%

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

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year 01-04-2016		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SRIHARI BABU KANCHERLA						
	At the beginning of the year	01/04/2017		1,008,318	1.78%		
	Changes during the year	Nil			-		1.78%
	At the end of the year	31/03/2018			-		1.78%
2	ESHAN FINANCIAL SERVICES PVT LTD						
	At the beginning of the year	01/04/2017		847,800	1.50%		
	Changes during the year	Nil					1.50%
	At the end of the year	31/03/2018					1.50%
3	RELIGARE FINVEST LTD						
	At the beginning of the year	01/04/2017		518,637	0.92%		
	Changes during the year	Nil				518,637	0.92%
	At the end of the year	31/03/2018		-	0.00%	518,637	0.92%

NEUEON TOWERS LIMITED

4	PRATIBHA R MHATRE						
	At the beginning of the year	01/04/2017		500,688	0.89%		
	At the end of the year	31/03/2018			0.00%	500,688	0.89%
5	INDIAN OVERSEAS BANK						
	At the beginning of the year	01/04/2017		500,000	0.88%		
	Changes during the year	Nil				500,000	0.88%
	At the end of the year	31/03/2018		-	0.00%	500,000	0.88%
6	SMC GLOBAL SECURITIES LIMITED						
	At the beginning of the year	01/04/2017		424,706	0.75%		
	Changes during the year	07/04/2017	Transfer	(20,040)	-0.04%	404,666	0.72%
		14/04/2017	Transfer	(2,500)	-0.00%	402,166	0.71%
		21/04/2017	Transfer	14490	0.03%	416,656	0.74%
		28/04/2017	Transfer	(2,750)	-0.00%	413,906	0.73%
		12/05/2017	Transfer	100	0.00%	414,006	0.73%
		12/05/2017	Transfer	(7,520)	-0.01%	406,486	0.72%
		19/05/2017	Transfer	-2030	-0.00%	404,456	0.72%
		26/05/2017	Transfer	(2,300)	-0.00%	402,156	0.71%
		02/06/2017	Transfer	(300)	-0.00%	401,856	0.71%
		16/06/2017	Transfer	1,000	0.00%	402,856	0.71%
		23/06/2017	Transfer	(181,525)	-0.32%	221,331	0.39%
		30/06/2017	Transfer	200	0.00%	221,531	0.39%
		07/07/2017	Transfer	-200	-0.00%	221,331	0.39%
		14/07/2017	Transfer	3,500	0.01%	224,831	0.40%
		21/07/2017	Transfer	(3,500)	-0.01%	221,331	0.39%
		28/07/2017	Transfer	2,500	0.00%	223,831	0.40%
		04/08/2017	Transfer	(2,500)	-0.00%	221,331	0.39%
		11/08/2017	Transfer	179,000	0.32%	400,331	0.71%
		25/08/2017	Transfer	3,501	0.01%	403,832	0.71%
		01/09/2017	Transfer	1,999	0.00%	405,831	0.72%
		08/09/2017	Transfer	(6,500)	-0.01%	399,331	0.71%
		22/09/2017	Transfer	150	0.00%	399,481	0.71%
		27/09/2017	Transfer	1,000	0.00%	400,481	0.71%
		29/09/2017	Transfer	5,231	0.01%	405,712	0.72%
		30/09/2017	Transfer	(231)	-0.00%	405,481	0.72%
		06/10/2017	Transfer	3,665	0.01%	409,146	0.72%
		13/10/2017	Transfer	(9,640)	-0.02%	399,506	0.71%
		27/10/2017	Transfer	436	0.00%	399,942	0.71%
		31/10/2017	Transfer	(436)	-0.00%	399,506	0.71%
		10/11/2017	Transfer	1,600	0.00%	401,106	0.71%
		17/11/2017	Transfer	(600)	-0.00%	400,506	0.71%
		08/12/2017	Transfer	101	0.00%	400,607	0.71%
		15/12/2017	Transfer	1,149	0.00%	401,756	0.71%
		29/12/2017	Transfer	1,765	0.00%	403,521	0.71%
		30/12/2017	Transfer	(555)	-0.00%	402,966	0.71%
		12/01/2018	Transfer	(1,410)	-0.00%	401,556	0.71%
		19/01/2018	Transfer	7,600	0.01%	409,156	0.72%

		26/01/2018	Transfer	(1,703)	-0.00%	407,453	0.72%
		02/02/2018	Transfer	(5,000)	-0.01%	402,453	0.71%
		09/02/2018	Transfer	201	0.00%	402,654	0.71%
		16/02/2018	Transfer	4,783	0.01%	407,437	0.72%
		23/02/2018	Transfer	(4,080)	-0.01%	403,357	0.71%
		02/03/2018	Transfer	2,499	0.00%	405,856	0.72%
		16/03/2018	Transfer	300	0.00%	406,156	0.72%
		23/03/2018	Transfer	(300)	-0.00%	405,856	0.72%
	At the end of the year	31/03/2018	Transfer	21	0.00%	405,877	0.72%
7	VARA LAKSHMI G VARA LAKSHMI G						
	At the beginning of the year	01/04/2017		410,367	0.73%		
	Changes during the year	15/12/2017	Transfer	(33,301)	0.06%	377,066	0.67%
		09/02/2018	Transfer	(20,246)	0.04%	356,820	0.63%
	At the end of the year	31/03/2018				356,820	0.63%
8	MRKR CONSTRUCTIONS PRIVATE LIMITED VARA LAKSHMI G						
	At the beginning of the year	01/04/2017		395,000	0.70%		
	At the end of the year	31/03/2018			0.00%	395,000	0.70%
9	PRABSMC LILLADHER PRIVATE LIMITED						
	At the beginning of the year	01/04/2017		377,250	0.67%		
	Changes during the year	04/07/2017	Transfer	(6,000)	-0.01%	371,250	0.66%
		05/05/2017	Transfer	120	0.00%	371,370	0.66%
		19/05/2017	Transfer	-120	-0.00%	371,250	0.66%
		16/06/2017	Transfer	(44,934)	-0.08%	326,316	0.58%
		23/06/2017	Transfer	(302,316)	-0.53%	24,000	0.04%
		28/07/2017	Transfer	6000	0.01%	30,000	0.05%
		13/10/2017	Transfer	(30,000)	-0.05%	-	0.00%
		16/03/2018	Transfer	500	0.00%	500	0.00%
		31/03/2018	Transfer	-500	-0.00%	-	0.00%
	At the end of the year	31/03/2018			0.00%	-	0.00%
10	PRABHUDAS SECURITIES PRIVATE LIMITED						
	At the beginning of the year	01/04/2017		365,000	0.65%		
	Changes during the year	21/07/2017	Transfer	(6,324)	-0.01%	358,676	0.63%
	At the end of the year	31/03/2018			0.00%	358,676	0.63%

(V) Shareholding of Directors and Key Managerial Personnel:

	Shareholding of each Directors and each Key Managerial Personnel	Reason	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
			No. of shares	No. of shares	% of total shares
1	G Srinivasa Raju - Managing Director				
	At the beginning of the year		10,184		
	At the end of the year			10,184	0.002%

NEUEON TOWERS LIMITED

2	S.Hanumantha Rao - Director			
	At the beginning of the year		7,000	
	Changes during the year		7,000	0.01%
	At the end of the year		7,000	0.01%
3	M V Bhaskara Rao - Independent Director			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year		Nil	
4	Shri A.S.Anand Kumar - Independent Director			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year		Nil	
5	Shri L V Rao - Independent Director			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year		Nil	
6	Shri Saravan Muthu - Nominee Director (IDBI)			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year		Nil	
7	Smt S. Kalyani - Vice President (Finance)			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year		Nil	
8	Shri Pathan Apser Hussien - Company Secretary			
	At the beginning of the year		Nil	
	Changes during the year			
	At the end of the year		Nil	

V. INDEBTEDNESS

(Amount in Lakhs)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	202189.71	33119.49	-	235309.20
ii) Interest due but not paid	29246.53	-	-	29246.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	231436.24	33119.49	-	264555.73
Change in Indebtedness during the financial year				
*Addition	-	-	-	-
*Reduction	(3185.01)	(30.37)	-	(3215.38)
Net Change	(3185.01)	(30.37)	-	(3215.38)
Indebtedness at the end of the financial year				
i) Principal Amount	202189.71	33089.12	-	235278.83
ii) Interest due but not paid	46061.52	-	-	26061.52
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	228251.23	33089.12	-	261340.35

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

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

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri M V Bhaskara Rao	Shri A S Anand Kumar	Shri L V Rao	Smt. G. Umadevi	Shri Saravanan Muthu	(Rs in lakhs)
1	Independent Directors						
	Fee for attending board committee meetings	80,000	40,000	80,000	20,000	20,000	2,40,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total	80,000	40,000	80,000	20,000	20,000	2,40,000
2	Overall Ceiling as per the Act	The overall ceiling is as per limits stipulated in Schedule V / Section 197 of the Companies Act, 2013					

NEUEON TOWERS LIMITED

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

	2017-18	2016-17
1. Electricity		
Units (KWH)	1528790	1828172
Total amount (Rs.)	15511455	21167841
Rate/units (Rs.)	10.15	11.58
2. Coal		
Quantity (Tonnes)	2684.09	2371.06
Total Cost (Rs.)	16336323	13075218
Average Rate (Rs.)	6086.35	5514.50
3. Furnace Oil		
Quantity (Ltrs.)	51364	20560
Total Cost (Rs.)	1363260	450455
Average Rate (Rs.)	26.54	21.90
Electricity (KWH)	-	-
Coal (Tonnes)	-	0.23

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

B) Technology absorption:

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

C) Foreign exchange earnings and Outgo:

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

NEUEON TOWERS LIMITED

Annexure - VIII

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

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2017-18, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director/ KMP (Designation)	Remuneration for FY 2017-18 (in lakhs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2016-17
01	G Srinivasa Raju (Managing Director) *	Nil	-	Nil
02	S. Kalyani (Vice President)	30.00	14.66	Nil
03	Pathan Apser Hussen (Vice President)	24.00	11.73	Nil
04	Ch. Mallikarjuna Resigned as a Company Secretary w.e.f.14.11.2017)	5.20	2.54	Nil

- None of the other directors except as disclosed above draws any remuneration in the Company; The median remuneration of employees of the Company during the financial year 2017-18 was Rs.2.05 lakhs against the median remuneration of Rs.2.40 lakhs during the previous year signifying an decrease of 14.74% in the financial year;

As on 31st March 2017, there were 46 Number of permanent employees on the rolls of Company;

- The relationship between average increase in remuneration and company performance:**

The average increase in remuneration during the financial year 2017-18 is Nil. The total employees cost for the financial year ended 31st March, 2018 is Rs. 385.44 lakhs against Rs. 482.43 lakhs for the financial year ended 31st March 2017. The total net revenue of the company for financial year ended 31st March 2018 is Rs. 6416.27 lakhs as against Rs. 20327.68 lakhs for the financial year ended 31st March 2017. The total employees cost as a percentage of net total revenue was 6.01 % (last year 2.37%). The performance was decreased 68.44 % during the financial year compared to last year.

- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**

Rs. in lakhs

Particulars	2017-18	2016-17
Aggregate Remuneration of KMP in Financial Year	59.20	50.47
Revenue	6416.27	20327.68
Remuneration of KMP (as % of revenue)	0.923	0.248

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

Sl. No.	Description	Rs. in lakhs
1	Market Capitalisation	
	Mcap at 31st March 2018	1769.84
	Mcap at 31st March 2017	2929.01
	Variation in Mcap in FY 2017-18 (%)	(39.58)
2	Price Earnings Ratio (PE Ratio) – (Mkt Price / EPS)	
	PE at 31st March 2018	(0.02)
	PE at 31st March 2017	(0.06)
	Variation in PE in FY 2017-18 (%)	(1.02)
3	% Increase/Decrease from last Public Offer	Not Applicable^
	FPO price per share	
	Market price as at 31 March, 2018	
	% decrease from last FPO	

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

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year: Nil
6. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company: N.A.
7. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: N.A.
8. Particulars of employees as required under rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Nil
9. It is hereby confirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Annexure - IX

MANAGEMENT DISCUSSION AND ANALYSIS

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

It is a matter of pride for all of us to learn that keeping in line with the motto “Make In India” our country has emerged as one of the fastest growing major economies in the world as per the data released by the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). Various estimates by the Governmental agencies tell us that the rate of growth during the financial year under review is likely to be between 6.75% to 7.5%. This, no doubt, augurs well for your Company.

However we wish that this buoyancy percolates into the operations of your Company, the ground reality stood otherwise. The expected take off in the infrastructure sector has not taken off as it should have been on account of the Right Of Way issues and general cash flow restrictions faced by the power industry in general and transmission sector in particular. This common phenomenon has affected your company as it did to the other peers.

Global Market opportunities:

Undaunted by the stagnant commercial prospects for the transmission business in the Country, your Company has started looking for export markets and also diversifying into design and manufacture of the Solar Structures for the local markets. Your Company believes that subject to unforeseen circumstances, there is good opportunity in MENA countries for the products of the Company. While the seeding operations are already in place, the pace of these would be accelerated when the efforts of your Company to restructure its debt portfolio bears fruit.

Infrastructure Sector - Government's Initiatives:

Government of India has initiated many steps to remove the obstacles plaguing this sector from so long. The most notable is the comprehensive land acquisition reforms put in place by the GOI are likely to reduce the vexatious issues being faced by the transmission industry to a great extent. It is believed that this initiative would de-lock the projects held up at various stages of implementation due to litigations in Courts. Once these reforms get rooted, we expect that the project completion ratio would go upto 90% to 95%. This development would release locked up financial assets as the held up projects would soon be completed. Your Directors whole heartedly thank GOI for this game changing initiative. This gives your Company a new hope and vigor to overcome the current financial log-jam at the earliest.

Road Ahead:

Your Company is witnessing a paradigm shift in the power generation and consumption patterns owing to the recent technological changes. We are observing rapid development of Solar Generation and other alternate energy generation programs, including wind power. Further, the advent of Smart Cities is going to drastically change the energy consumption patterns. The resolve of the government to end the Petrol / diesel / LPG driven automobiles by 2030 creates another niche for the power distribution systems manufactured by your Company. All these technology driven changes call for a complete over-haul of the existing power transmission and distribution systems in the country. This factor alone, your Company believes, would be a game changer in the near future.

The recent decision of the power utilities in the country to place an embargo on the Chinese manufactured equipment, due to the quality concerns and long term durability issues is likely to open some windows, if not doors for your Company.

Coupled with the optimistic outlook of the Indian Economy as enunciated by international and multi lateral agencies like World Bank etc., your Company feels that there are green shoots visible to it.

However, all this gets translated into reality, only if your Company can put in place, as soon as possible,

a debt re-structuring programme. Without the active support of the Banks and Financial Institutions, it is impossible for any commercial entity to survive, especially where the cash to cash cycles are normally stretched over long periods.

In this direction, your Company is leaving no stone unturned and your Company is working closely with the Banks and other agencies to resolve the matter. It is a matter of concern that earlier initiatives of the Company have not met with success.

Opportunities and Threats:

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

It may not be out of place to mention that your Company is still being over looked by many customers while placing new orders on account of the acknowledged financial constraints. Thus, our efforts to revive the financial fortunes are continuing unabated to overcome this situation. The concern, that has arisen out of watching the reluctance of the customers' to place further orders on account of the reference of your Company to the CDR Mechanism.

Company Position:

As you are aware, your Company was a dominant player in the Power Transmission Infra sector and in this short period, has earned a niche for itself. In anticipation of a buoyant market situation, your Company has invested large sums of money to create a world class facility to manufacture Power Transmission Towers upto 1200 kVA, which is the World's highest transmission voltage.

The Infrastructure Industry in general and Power Transmission Industry in particular has witnessed very rough operating environment in the last couple of years. We have seen that almost all projects are plagued by delays on account of extraneous factors such as ROW (Right of Way) issues and cash flow niggles. The situation has turned from bad to worse in the last 2 years and your company is no exception to this global tsunami engulfing the Steel Sector, of which your Company is a part of.

The Company's proposals of corporate debt restructuring (CDR) and strategic debt restructuring (SDR) though considered by the lenders, the same were not fully implemented due to non sanctioning of the facilities by some of the banks and not accepting the terms of the strategic investor and therefore finally, the CDR and the SDR proposals have failed to revive the Company's operations.

The implementation of Insolvency and Bankruptcy Code has helped the corporate world to come out of the difficulties of financial stress and for in for resolution of their issues, in a fruitful way. Of late, the Lenders are knocking the doors of NCLT (National Company Law Tribunal) for recovery of their dues and resolving the Insolvency.

The Company impressing upon the lenders for One Time Settlement in favour of the strategic investors to come out of the precarious financial position and to revive and continue the past growth path.

Risk and Concerns:

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

Business Risk:

The business risk is in general is the risk imposed by the competition from the competitors. There is always as possibility of the new entrants into this sector and predatory pricing by them to get the orders. The

NEUEON TOWERS LIMITED

technological obsolescence is another risk factor, your Company has to cope with, In the times to come. Your Company always holds these factors in sight while arriving at any major decision.

Interest Rate Risk:

This aspect, while constitutes a certain risk, is beyond the control of the Company owing to it having availed credit facilities from various banks. As such, we categorize the interest rate fluctuation as an inherent risk associated with the business of your Company. The mitigation of this risk lies in our accelerating the cash to cash cycle to offset the negative impact caused by such rate increase, if any.

Market Risk:

This is an inherent risk that is to be faced by any company, forever and cannot be wished away. India as such abhors any monopolistic business practices and actively encourages competition. Your company never believed in aggressive pricing as a tool to capture the market. On the other hand it trusts that quality and customer service are only tools which give great dividends in the long run and ensure that the Company remains a long term player in the market.

Liquidity Risk:

The liquidity risk is a major risk being faced by your Company due to one or the other reasons. Whenever there is blockage of funds in the hands of customers, the liquidity crunch is likely to happen and indeed is happening, which is crippling the operations of the Company and your Company is trying to mitigate this risk by exploring for other avenues for liquidity, including scouting for a new investor or to cede some its business lines, as explained elsewhere.

Financial Risk:

Increase in cost of operations as well as fluctuations in raw material cost pose financial risk to the Company. The impact of this risk is to some extent minimized with the escalation clause in majority of domestic orders. Even though Company is not facing any major hurdles on this front due to its short term contracts, this risk is not entirely ruled out, till your Company can implement various mitigation strategies like purchase in bulk as well as import of raw materials etc. to minimize the impact of this ever present risk.

Growth Plans:

As stated earlier, your Company is going through a difficult phase due to various reasons, including its unsuccessful efforts in disposing some of its business segments. It is approaching the customers with very cautious outlook and is definitely not in an aggressive mode. Due to the non availability of the BGs, Company is unable to participate in tenders and had to contend with being a sub-contractor to others.

Plainly speaking, any new marketing strategy can only be finalised after the present debt restructuring programme is successfully concluded. Your Company has not shifted its commitment from its professed ethos such as fast and quality execution, cost reduction, obtaining of financial support from banks with competitive interest rates etc.,

Neueon's Competitive Strengths:

Even though this is not the time to be boastful, your Company feels that it still enjoys many inherent competitive advantages due to various inherent elements such as huge installed capacity; track record of supplies; comparative advantage due to the vertically integrated manufacturing facilities and approvals by the end customers. Company is yet to face an environment, wherein all these are put to test.

Outlook and Opportunities:

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

Internal Control Systems and their Adequacy:

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

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

Human Resource and Industrial Relations:

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

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

Highlights of the Financial Results:

During the financial year, Your Company has achieved a turnover of Rs. 6,477.89 lakhs for the year ended 31st March, 2018, as against the turnover of Rs. 20,706.05 lakhs for the previous year ended 31st March, 2017.

Segment Wise Performance & Geographical Information:

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

Statutory Compliance:

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

Corporate Social Responsibility (CSR):

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

Cautionary Statement:

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

ANNEXURE - X

REPORT ON CORPORATE GOVERNANCE

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

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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

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

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure:

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Executive Directors are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

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

The Company has a balanced mix of Executive and Non-Executive Independent Directors to maintain the independence of the board and to separate the board functions of governance and management. As at March 31st, 2018 the Board of Directors comprises of Seven (7) members, out of which one (1) is Promoter & Managing Director, four (4) of them are Independent and Non-Executive Directors, one (1) Non-Executive Director and one (1) is a Nominee Director of IDBI Shri Saravanan Muthu. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

The Chairman is an Independent & Non-Executive Director of the Company. The number of Independent Directors are 4 which is in compliance with the requirements of Regulations 17 of the SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015. The number of Non-Executive Directors is more than 50% of the total number of Directors.

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

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

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

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

The details of composition of the Board of Directors as at 31st March, 2018, the attendance record of the Directors at the Board Meetings held during the financial year 2017-18 and at the last Annual General Meeting (AGM) and as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given below as given below:

Sl. No.	Name of the Director	Other Directorships	Committee positions in other companies		No. of Board Meetings attended	Attendance of each Director at the last A.G.M.
			As Chairman	As member		
1.	Shri G. Srinivasa Raju, Promoter & Managing Director	13	1	2	3	Attended
2.	Shri S. Hanumantha Rao - Non-Executive Director	8	0	3	4	Attended
3.	Shri A. S. Anand Kumar Independent & Non -Executive Director	4	Nil	Nil	2	Not Attended
4.	Shri M.V.Bhaskara Rao Independent & Non -Executive Director	1	Nil	Nil	4	Attended
5.	Shri L.V. Rao - Independent & Non -Executive Director	2	Nil	Nil	4	Attended
6.	*Shri Yashpal Gupta - Nominee director from IDBI	1	Nil	Nil	0	N.A.
7.	#Smt A. Syamala Reddy - Independent & Non – Executive Director	Nil	N.A.	N.A.	0	Not Attended
8.	**Shri Saravan Muthu - Nominee Director from IDBI	Nil	N.A.	N.A.	N.A.	N.A.
9.	@Smt G Umadevi - Independent & Non -Executive Director	3	Nil	Nil	2	N.A.

Change in Composition of Board of Directors since the date of last AGM held on 29th September, 2017:

@ Smt G Umadevi appointed as a Director w.e.f. 11/10/2017.

#Smt A. Syamala Reddy appointed as a Director w.e.f. 27/08/2016 and resigned w.e.f. 29/06/2017.

*Shri Yashpal Gupta resigned as a Director w.e.f. 13th February, 2017.

** Shri Saravanan Muthu Appointed as a Nominee Director of the Company w.e.f. 14/02/2017.

2.3. Board Meetings, Board Committee Meetings and Procedures:

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

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

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

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

NEUEON TOWERS LIMITED

Four (4) Board Meetings were held during the year 2017-18 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

- (1) 30th May, 2017
- (2) 14th August, 2017
- (3) 14th November, 2017
- (4) 14th February, 2018

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

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

Independent Directors Meeting:

The Independent Directors met on 30th March, 2018 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Familiarization programme for Independent Directors:

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

3. BOARD COMMITTEES:

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

3.1 Audit Committee:

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

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

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

During the financial year 2017-18, the audit committee met Five times on the following dates:

- (1) 30th May, 2017
- (2) 14th August, 2017
- (3) 14th November, 2017
- (4) 14th February, 2018

The necessary quorum was present at the meetings.

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

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

Change in Composition of Audit Committee since the date of last AGM held on 29th September, 2017 : Nil

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

3.2. Nomination and Remuneration Committee (Formerly known as Remuneration Committee)

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

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

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

The existing Committee comprises of:

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

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

There were no changes in composition of Nomination and Remuneration Committee since the date of last AGM held on 29th September, 2017.

Remuneration Policy:

The remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the Nomination and Remuneration Committee to the Board.

Sitting Fee details:

Sl.No.	Name of the Director	Sitting fee paid During the year (Rs)
1	Shri M. V. Bhaskara Rao	80,000
2	Shri A. S. Anand Kumar	40,000
3	Shri L. V. Rao	80,000
4	Shri Yashpal Gupta	0
5	Smt. G. Umadevi	20,000
6	Shri Saravanan Muthu	20,000

NEUEON TOWERS LIMITED

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

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2018:

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

3.3. Shareholders' Grievances Committee:

Scope of the Shareholders' Grievance Committee:

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

Constitution and Composition of the Shareholders' Grievance Committee:

The Shareholders' Grievance Committee of your Company comprises of three (3) members. No Shareholders' Grievance Committee Meeting was held during the financial year 2017-18.

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

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

Name and Designation of the Compliance Officer :

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

Status of the Complaints:

Number of Shareholders Complaints received during the Financial Year 2017-18	0
Number of Complaints not solved to the satisfaction of the Shareholders	Nil
Number of pending Complaints	Nil

3.4. Share Transfer Committee:

The share transfer committee comprises of Shri G. Srinivasa Raju, Shri S. Hanumantha Rao and Shri M.V. Bhaskara Rao. Shri G. Srinivasa Raju is the Chairman of the Committee. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013. During the period under review No meetings of Share Transfer Committee were held.

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

3.5. Management Committee:

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

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

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

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

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

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time".

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

No CSR committee was held during the year 2017-18.

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

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

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

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

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

NEUEON TOWERS LIMITED

4. GENERAL BODY MEETINGS:

4.1 Details of Last three AGMS held :

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Venue	Time	Details of Special Resolutions passed
1	10TH	29th September, 2017	Sy. No. 321, Turkala Khanapur Village, Hatnur (Mandal), Sanga Reddy Dist-502296, Telangana	02.00 P.M.	Nil
2	9TH	30th September, 2016	Katriya Hotel and Towers, No.8, Raj Bhavan Road, Somajiguda, Hyderabad-500082.	02.00 P.M.	<ol style="list-style-type: none"> 1. To consider and approve the increase of Authorised Share Capital of the Company from Rs.100 crores to Rs.1500 crores. 2. To consider and approve the issue of Cumulative Redeemable preference shares (CRPS). 3. To approve and confirm the Strategic Debt Restructuring scheme (SDR)/outside SDR formulated by Reserve Bank of India.
3	8TH	30th September, 2015	Katriya Hotel and Towers, No.8, Raj Bhavan Road, Somajiguda, Hyderabad - 500082.	02.00 P.M.	<ol style="list-style-type: none"> 1. To consider and appoint Shri G. Srinivasa Raju, as Managing Director & Key Managerial Person of the Company. 2. To alter Clause 145 of the Articles of Association of the Company under Section 14 of the Companies Act, 2013 by replacing new Clause 145

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

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

5. DISCLOSURES:

(i) Materially Significant related party transactions:

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

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

(ii) Compliances:

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

(iii) Risk Management:

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

(iv) Code of Conduct:

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

(v) Vigil Mechanism:

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

(vi) Disclosure of Accounting Treatment:

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

(vii) CEO & CFO Certification:

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

(viii) Details of Non-Compliance and Penalties:

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

(ix) Compliance Certificate:

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

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

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

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

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

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

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

(xi) It is confirmed that no personnel has been denied access to the Audit Committee..**(xii) Disclosure under Regulation 53(f) read with Schedule V of SEBI (LODR) Regulations, 2015:**

- (a). None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the

NEUEON TOWERS LIMITED

independent of the director except receiving sitting fee for attending Board/Committee meetings.

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

(xiii) Management Discussion and Analysis Report:

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

(xiv) Shareholders Information:

- (a) Appointment/Re-appointment of Directors: The brief resume of directors retiring by rotation, appointment of Directors and re-appointment of directors, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice for calling Annual General Meeting.
- (b) None of the Directors are related to each other.

(xv) Prevention of Insider Trading:

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

6. MEANS OF COMMUNICATION:

- (i) Publication of Quarterly/Annual Financial Results in daily newspapers – Andhra Prabha (Telugu) or Financial Express (English) or Business Standard (English) and the same will be updated in the Company's Website at www.sujana.com.
- (ii) Furnishing the Quarterly / Annual Financial Results to Stock Exchanges in which Company's shares are listed.
- (iii) Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Shareholders through Post/Courier/Email.

(iv) Company's Corporate Website :

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

- (v) Uploading on NEAPS & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE listing Centre for BSE.

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

(vii) SEBI Complaints Redress System (SCORES):

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

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

7. GENERAL SHAREHOLDERS INFORMATION:

1.	Date	29th September, 2019
2.	Time	04.00 P.M.
3.	Venue	Survey No. 321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist-502296, Telangana, India
4.	Financial year	2017-2018 (Consisting of 12 months from 01.04.2017 to 31.03.2018)
5.	Book Closure Date	27th September, 2018 (One day Only)
6.	Dividend Payment Date	Not Applicable
7.	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra(E), Mumbai - 400051.
8.	Stock code	(a) BSE Scrip Code : 532887 NSE Symbol : NTL (b) Demat ISIN for equity shares : INE333I01036 (c) Corporate Identity Number (CIN) : L40109TG2006PLC049743
9.	Listing Fee	The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2017-18.
10.	E-voting facility	Website: www.evoting.nsdl.com Open Date: 25th September, 2018 at 09.00 A.M. Closing Date: 28th September, 2018 at 05.00 P.M. cut-off date: 22nd September, 2018.
11.	Company's Website	www.sujana.com

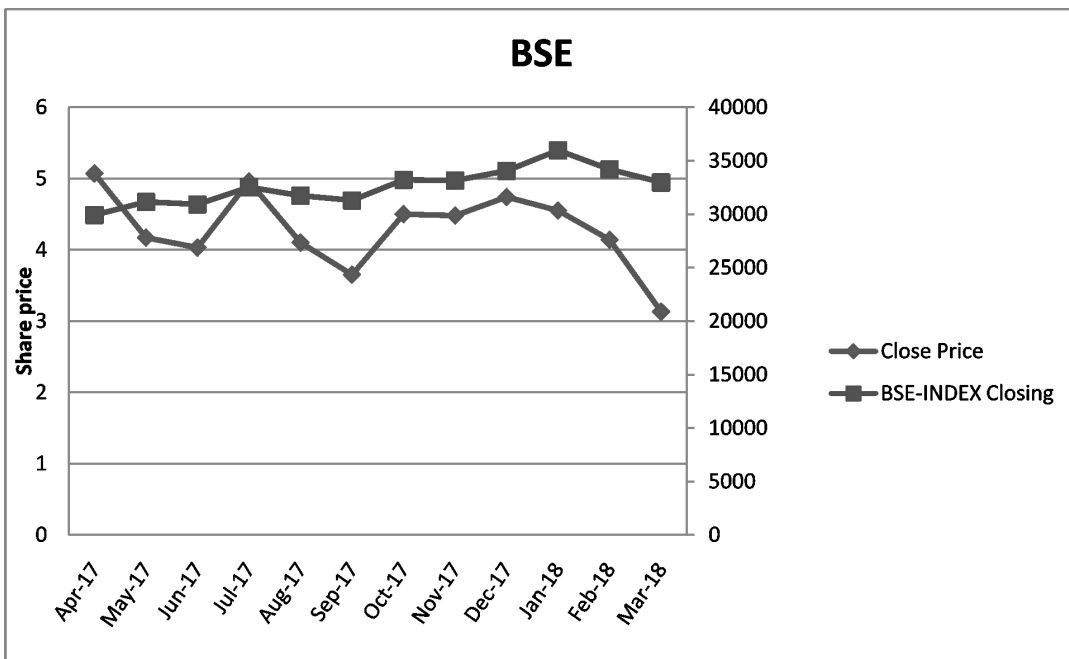
Market Price Data:

The monthly high and low stock prices during the financial year 2017-18 and performance in comparison to the Board-based indices such as BSE-Sensex is provided hereunder.

Month	High Price	Low Price	Close Price	BSE SENSEX (Closing)
Apr-17	5.85	4.91	5.07	29918.4
May-17	5.35	4.08	4.17	31145.8
Jun-17	4.68	3.51	4.03	30921.61
Jul-17	5.3	4.01	4.96	32514.94
Aug-17	4.98	3.7	4.1	31730.49
Sep-17	4.33	3.5	3.65	31283.72

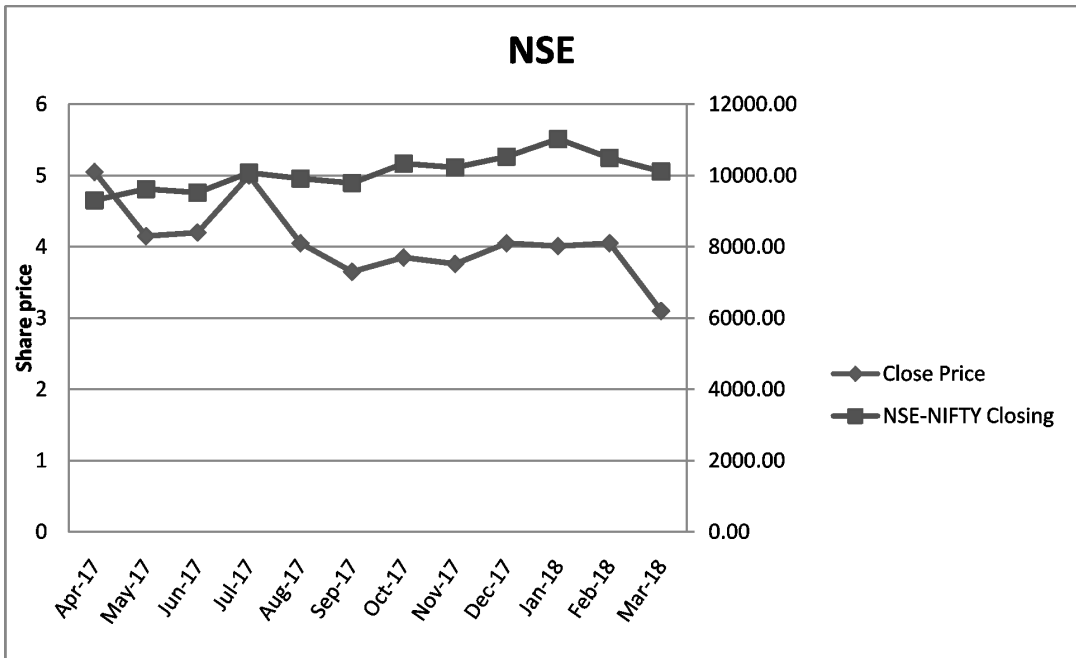
NEUEON TOWERS LIMITED

Oct-17	4.5	3.48	4.5	33213.13
Nov-17	7.14	4.04	4.48	33149.35
Dec-17	4.95	4.13	4.74	34056.83
Jan-18	5.87	4.3	4.55	35965.02
Feb-18	4.55	3.8	4.14	34184.04
Mar-18	4.08	3.09	3.13	32968.68



The monthly high and low stock prices during the financial year 2017-18 and performance in comparison to the Board-based indices such as NSE-Nifty is provided hereunder.

Date	High Price	Low Price	Close Price	NSE - Nifty Closing
Apr-17	5.05	4.85	5.05	9304.05
May-17	4.5	4	4.15	9621.25
Jun-17	4.2	4	4	9520.9
Jul-17	5.05	4.95	5	10077.1
Aug-17	4.25	4	4.05	9917.9
Sep-17	3.85	3.6	3.65	9788.6
Oct-17	4.6	3.3	4.6	10335.3
Nov-17	5	4.8	4.8	10226.55
Dec-17	5.05	4.95	5	10530.7
Jan-18	4.6	3.3	4.6	11027.7
Feb-18	4.05	3.9	4.05	10492.85
Mar-18	3.25	3.05	3.1	10113.7



Share Transfer System :

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

Dematerialization of Shares :

99.43% of the Company's Paid-up capital has been dematerialized upto 31st March, 2018 as per the following details.

Particulars	Number of shares	% of share capital
NSDL	29229886	51.69
CDSL	26992359	47.74
Physical	322307	0.57
Total	56544552	100.00

Distribution of Shareholding :

As on 31st March, 2018, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto - 5,000	1865664	3.2995	17110	79.7855
5,001 - 10,000	1245799	2.2032	1477	6.8874
10,001 - 20,000	1614778	2.8558	1030	4.8030
20,001 - 30,000	1064159	1.8820	416	1.9398

NEUEON TOWERS LIMITED

30,001 - 40,000	782423	1.3837	219	1.0212
40,001 - 50,000	1261056	2.2302	264	1.2311
50,001-1,00,000	3073594	5.4357	411	1.9165
1,00,001 and above	45637079	80.7099	518	2.4155
Total	56544552	100.00	21445	100.00

Shareholding pattern as on 31st March, 2018 (Face Value of Rs.10/-each):

Sl.No.	Category	No.of Holders	No.of Shares	% to Equity
1	Promoters and Promoters Group	9	21074443	37.27
2	Bodies Corporate	339	6655480	11.77
3	Public – Individuals	20867	27527423	48.68
4	NRIs	156	539323	0.95
5	Financial Institutions/Banks	2	500100	0.88
6	Clearing Members	70	247781	0.45
7	Trust	2	2	0
	Total	21445	56544552	100.00

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

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

Reconciliation of Share Capital Audit Report:

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

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

Plant Location:

S.No.	State	Location
1	Telangana	Plot No.128 Part, Sy. No. 172/B, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
2	Telangana	Plot No.10, 11 and 12 Part, Sy. No.172, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
3	Telangana	Plot No. 9, Sy. No.172/EE, U, UU, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
4	Telangana	Plot No. 8, B & C, Sy. No.172/EE, U, UU, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Sanga Reddy Dist.
5	Telangana	Sy.No.321, Turkala Khanapur Village - 502 296, Hatnur Mandal, Sanga Reddy Dist.

Address for Correspondence :

Registered Office	Survey No.321, Turkala Khanapur (V), Hatnur (M), Sanga Reddy Dist - 502296, Telangana, India
Corporate and Administrative Office	5/A, Vengalrao Nagar, Hyderabad, Telangana - 500 038, India, Telephone No. +91-40-23815530/31/32, Website: www.sujana.com
Registrars and Share Transfer Agents	M/s. Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad—500082, Telangana, India. Phone No. : 040-2337 49670

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

I hereby declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel that they have complied with the Code of Business Conduct & Ethics for Board Members/ Senior Management Personnel in respect of the financial year 2017-18, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Hyderabad
Date: 29th August, 2018

G. Srinivasa Raju
Managing Director
DIN: 00132249

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

- A. We have reviewed financial statements and the cash flow statement of our Company for the financial year ended 31st March, 2018, and that to the best of our knowledge and belief we hereby certify that:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Hyderabad
Date: 30th May, 2018

S KALYANI
(Vice-President-Finance)

G SRINIVASA RAJU
Managing Director

NEUEON TOWERS LIMITED

Certificate on Corporate Governance

To

The Members of Neueon Towers Limited,

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

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

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

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

For RPR& Associates
Company Secretaries

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

Place: Hyderabad
Date: 29th August, 2018

INDEPENDENT AUDITORS' REPORT

To
The Members,
Neueon Towers Limited.

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Neueon Towers Limited, ('the Company')**, which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

NEUEON TOWERS LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A to this report, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note No.....;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For VENUGOPAL & CHENOY

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)

Partner
Membership No.021961

Place: Hyderabad
Date: 30-05-2018

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2018, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii) The Company has granted a loan aggregating to Rs 1114.79 lakhs a company covered under the register maintained under section 189 of The Act. The rate of interest and other terms and conditions are prima facie not prejudicial to the interests of the company.
- iv) In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013 with respect to loans and investments made.
- v) The Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the activities carried on by the Company, wherever applicable and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been irregularly deposited during the year by the Company with the appropriate authorities.

Statement showing overdue balance of Provident fund for more than six months:

Month	Amount	Due date	Status
April	81,260	15-05-2017	Still outstanding
May	75,555	15-06-2017	Still outstanding
June	68,271	15-07-2017	Still outstanding
July	63,019	15-08-2017	Still outstanding
August	57,619	15-09-2017	Still outstanding
September	57,718	15-10-2018	Still outstanding

NEUEON TOWERS LIMITED

Statement showing overdue balance of TDS & TCS for more than six months:

Month	TDS (Rs.)	TCS (Rs.)	Due date	Payment date	Delay(Days)
April	13,890	6,407	07-05-2017	06-07-2018	424
May	9,242	6,583	07-06-2017	06-07-2018	393
June	1,46,398	-	07-07-2017	06-07-2018	364
July	8,935	-	07-08-2017	06-07-2018	333
August	88,29	-	07-09-2017	06-07-2018	302
September	77,208	12,990	07-10-2017	06-07-2018	272

- viii. a. According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except:

(Rs. In Lakhs)

Income Tax (2009-2010)	151.14
Income Tax (2010-2011)	2688.45
Income Tax (2011-2012)	2447.15
Income Tax (2012-2013)	129.69
Income Tax (2013-2014)	102.20
Income Tax (2014-2015)	113.03

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

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where matter is pending	Amount (Rs. In Lakhs)
Excise Department:			
Excise Duty on Job Work	2010-2011	Additional Commissioner of central Excise	Rs. 30.98 (paid Rs.15.49 during the year 2010-2011)
Sales Tax Department:			
Submission of C Forms	2010-2011	Appellate Deputy Commissioner	Rs. 43.21
Submission of C Forms	2011-2012	Appellate Deputy Commissioner	Rs. 34.01
Submission of C Forms	2012-2013	Appellate Deputy Commissioner	Rs. 9.44
Submission of C Forms	2013-2014	Appellate Deputy Commissioner	Rs. 81.02

- ix. According to the information and explanations given to us and on the basis of examination of the records, the company has defaulted in the repayment of loans along with interest to the Banks/ financial institutions during the year. The details of overdue interest and overdue principal of the company's borrowings are as follows:

Overdue as on 31.03.2018. (Rs. In Crores)

S.No	Bank/Financial institution	Interest	Principal
1	Exim Import Bank of India	12.35	25.00
2	Punjab National Bank	183.16	402.47
3	IDBI Bank	263.33	518.29
4	Edelweiss Asset Reconstruction	-	94.05
5	Andhra Bank	-	250.02
6	Central Bank	-	500.91
7	UCO bank	80.55	192.48
Total			2522.61

- x. The Company did not raise any money from public during the year.
- xi. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration to its Managing Director.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares and has complied with Section 42 of the Companies Act, 2013, and has used the money for the purposes for which it is raised.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvii. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For VENUGOPAL & CHENoy

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)

Partner
Membership No.021961

Place: Hyderabad
Date: 30-05-2018

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of NEUEON TOWERS LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VENUGOPAL & CHENoy

Chartered Accountants,
FRN: 004671S

(P.V. SRI HARI)

Partner
Membership No.021961

Place: Hyderabad
Date: 30-05-2018

NEUEON TOWERS LIMITED

BALANCE SHEET AS AT 31.03.2018

(Rupees in Lakhs)

	Particulars	Note No.	As at 31st March	
			2018	2017
A	ASSETS			
1	Non- Current Assets			
(a)	Property, Plant and Equipment	2.01	1,47,155.56	1,56,544.64
(b)	Capital Work-in-Progress		-	-
(c)	Other Intangible Assets		0.27	2.36
(d)	Financial Assets			
(i)	Investments	2.02	13,993.74	13,993.74
(ii)	Trade Receivables			
(iii)	Loans	2.03	1,114.79	1,114.79
(iv)	Others			
(d)	Deferred tax asset	2.13	-	-
(e)	Other non-current assets	2.04	1,095.38	1,095.38
			<u>1,63,359.74</u>	<u>1,72,750.90</u>
2	Current Assets			
(a)	Inventories	2.05	1,576.00	2,206.70
(b)	Financial Assets			
(i)	Trade receivables	2.06	95,371.98	1,28,908.20
(ii)	Cash and cash equivalents	2.07	72.92	84.72
(c)	Other current assets	2.08	1,363.38	4,994.44
			<u>98,384.28</u>	<u>1,36,194.06</u>
	TOTAL		<u>2,61,744.02</u>	<u>3,08,944.96</u>
B	EQUITY AND LIABILITIES			
1	EQUITY			
(a)	Equity Share Capital	2.09	5,781.29	5,781.29
(b)	Other Equity		(35,922.59)	10,340.73
			<u>(30,141.30)</u>	<u>16,122.02</u>
	LIABILITIES			
2	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	2.10	-	64,941.72
(ii)	Trade Payables		-	-
(iii)	Other Financial Liabilities	2.10	33,393.79	33,424.16
(b)	Provisions	2.11	204.27	204.27
(c)	Deferred tax liabilities (Net)	2.12	16,714.88	14,432.91
(d)	Other non-current liabilities		-	-
			<u>50,312.94</u>	<u>1,13,003.05</u>
3	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	2.13	1,31,075.82	1,23,854.05
(ii)	Trade payables	2.14	7,155.14	6,989.92
(iii)	Other financial liabilities	2.15	97,341.81	42,908.48
(b)	Provisions	2.11	5,604.55	5,604.55
(c)	Other current liabilities	2.16	395.05	462.89
			<u>2,41,572.38</u>	<u>1,79,819.89</u>
	Total Equity and Liabilities		<u>2,61,744.02</u>	<u>3,08,944.96</u>

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

P.V. Sri Hari

Partner

Membership No. 21961

Place: Hyderabad

Date: May 30, 2018

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussen

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

(Rs. In Lakhs)

Particulars	Note No	For the Year Ended	
		2018	2017
I Revenue			
Revenue from Operations	2.17	6,477.89	20,706.05
Other Income	2.18	1.46	15.50
Total Revenue		6,479.35	20,721.55
II Expenses			
Cost of Materials Consumed	2.19	5,150.62	3,024.86
Excise duty		63.08	393.87
Purchase of Stock-in-Trade		-	15,730.02
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.20	594.59	661.72
Employee Benefit Expenses	2.21	385.44	482.43
Finance Costs	2.22	35.87	29,246.53
Depreciation and Amortization Expenses	2.01	9,391.16	9,488.52
Other Expenses	2.23	34,839.95	7,696.91
Total Expenses		50,460.70	66,724.86
III Profit Before Exceptional Items and Tax (I - II)		(43,981.35)	(46,003.31)
IV Exceptional Items			
V Profit Before Tax (III - IV)		(43,981.35)	(46,003.31)
VI Tax Expense:			
Current tax		-	-
Deferred tax		2,281.98	3,188.91
VII Profit for the Year (V - VI)		(46,263.32)	(49,192.22)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit and loss remeasurements of the defined benefit plans.			
IX Other comprehensive income (Net of taxes)		-	-
X Total comprehensive income for the Year (VIII + IX)		(46,263.32)	(49,192.22)
XI Earnings Per Equity Share of Rs.10 each			
(a) Basic		(81.82)	(87.00)
(b) Diluted		(81.82)	(87.00)

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

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

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

P.V. Sri Hari
Partner
Membership No. 21961

S. Kalyani
Vice-President (Finance)

Pathan Apser Hussen
Company Secretary

Place: Hyderabad
Date: May 30, 2018

NEUEON TOWERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

(Rs. in Lakhs)

Particulars	For the year ended 31st March	
	2018	2017
A Cash flows from Operating activities		
Net Profit / (Loss) Before Tax for the year	(43,981.35)	(46,003.31)
Adjustments for		
Depreciation	9,391.16	9,488.52
Finance Costs	35.87	29,246.53
Interest & other income	(1.46)	(7.85)
Provision for Gratuity & Leave Encashment	-	7.29
Provision for doubtful debts	34,009.72	6,626.61
Operating Profit Before Working Capital Changes	(546.05)	(642.20)
Movements in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	630.70	826.11
Trade Receivables	(473.50)	5,725.84
Loans & Advances	-	-
Other Financial Assets	-	-
Other Assests	3,631.06	(2,937.45)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	165.22	(18.94)
Provisions	-	18.77
Financial Laibilities	54,402.96	6,614.45
Other Liabilities	(67.84)	16,618.21
Cash Generated from Operations	57,742.55	26,204.78
Less: Taxes paid	-	-
Cash from Operating Activities (A)	57,742.55	26,204.78
B Cash flows from Investing activities		
Purchase of Fixed Assets	-	(144.02)
Interest Received	1.46	7.85
Cash from Investment Activities (B)	1.46	(136.17)
C Cash flows from Financing activities		
Proceeds from Borrowings	(57,719.94)	-
Interest & Financial Charges Paid	(35.87)	(26,064.92)
Net Cash from financing activities (C)	(57,755.81)	(26,093.28)
Net Increase in cash and cash equivalent (A+B+C)	(11.80)	(24.66)
Cash and Cash Equivalents at the beginning of the year	84.72	109.38
Cash and Cash Equivalent at the end of the year	72.92	84.72

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

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

G. Srinivasa Raju
Managing Director

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Director

P.V. Sri Hari
Partner
Membership No. 21961

S. Kalyani
Vice-President (Finance)

Pathan Apser Hussen
Company Secretary

Place: Hyderabad
Date: May 30, 2018

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

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

2. Basis of preparation of Financial Statements

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

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

The significant accounting policies are given at Note 17

3. Use of estimates and judgment

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

4. Commitments

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

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

Value of Materials Consumed during the year

Description	For the year ended 31.03.2018			For the Year ended 31.03.2017		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	15048.055	5027.17	98	11468	3024.87	100
Imported						
Tower Parts						
Indigenous	268.210	123.45	2	0	0	100
Imported						

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Others						
Indigenous						
Imported						
Total	-	5150.62	100	-	3024.87	100

Value of bought-out material consumed

(Rs. in Lakhs)

Description	For the year ended 31.03.2018			For the Year ended 31.03.2017		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	88	19.39	4	25767	11138.18	71
Imported						
Tower Parts						
Indigenous	-	444.53	96	8946	4591.83	29
Imported						
Others						
Indigenous						
Imported						
Total	-	463.92	100	-	15730.01	100

Value of Consumables, Stores and Spares consumed during the period

(Rs in Lakhs)

Description	For the year ended 31.03.2018	%	For the year ended 31.03.2017	%
Consumables(Indigenous)	516.70	100	507.98	100
Consumables(Imported)	-	-	-	-
Total	516.70	100	507.98	100

6. Financial Instruments- Fair Values and Risk Management

i. Financial Instruments by Categories

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

(As of March 31, 2018 Rs. In Lakhs)

Particulars	Cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	13993.74	-	-	13993.74	13993.74
Cash & Cash Equivalents (Ref Note No. 2.07)	72.92	-	-	72.92	72.92
Trade Receivable (Ref Note No. 2.06)	95371.98	-	-	95371.98	95371.98
Loans & Advances (Ref Note No. 2.03)	1114.79	-	-	1114.79	1114.79
Liabilities:	-	-	-	-	-
Trade Payable (Ref Note No. 2.15)	7155.14	-	-	7155.14	7155.14
Borrowings	131075.82	-	-	131075.82	131075.82
Other Financial Liabilities (Ref Note No. 2.11 & 2.16)	130735.60	-	-	130735.60	130735.60

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

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2017:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs in Lakhs as of March 31, 2017)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	13993.74	-	-	13993.74	13993.74
Cash & Cash Equivalents (Ref Note No. 2.07)	84.72	-	-	84.72	84.72
Trade Receivable (Ref Note No. 2.06)	128908.20	-	-	128908.20	128908.20
Loans & Advances (Ref Note No. 2.03)	1114.79	-	-	1114.79	1114.79
Liabilities:					
Trade Payable (Ref Note No. 2.15)	6989.92	-	-	6989.92	6989.92
Borrowings (Ref Note No 2.14)	188795.77	-	-	188795.77	188795.77
Other Financial Liabilities (Ref Note No. 2.11 & 2.16)	76332.64	-	-	76332.64	76332.64

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

6.2 Financial risk management

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

- market risk
- credit risk and
- liquidity risk

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

a. Market risk**Foreign Exchange Risk**

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

b. Credit Risk

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

Trade Receivables

The company has outstanding trade receivables amounting to Rs 95371.98 lakhs and Rs128908.20 lakhs as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

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

Credit risk exposure

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(As at 31st March 2018, Rs. In lakhs)

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

(As at 31st March, 2017, Rs in lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	128908.20	-	-
Past due less than 30 days		-	50.55
Past due more than 30 days but not more than 60 days	-	-	53.66
Past due more than 60 days but not more than 90 days	-	-	76.69
Past due more than 90 days but not more than 120 days	-	-	4053.16
Past due more than 120 days			124674.14
Total	128908.20		128908.20

Trade receivables are generally considered credit impaired after three years past due (except government dues), unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. Owing to the non completion of majority of the contracts taken from the customers by the Company, Company is currently facing a log jam in the cash flows and recovery from the debtors, especially in the cases where the dues are past 120 days. There is a significant chance of pushing these amounts into litigation, if supplies are not completed in the near future. Since Company believes that there is every possibility of commencing the operations soon with the help of the financing institutions, by way of a suitable re-structuring of the debt or such other mechanism.

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

Other financial assets

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

c) Liquidity Risk

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

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

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

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals, promoters' contribution & unsecured loans and committed credit lines etc.,

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(as of March 31, 2018 Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	1239.17	5.45	4945.95	964.58	-	7155.14
Short term borrowings (cash credit)*	-	-	131075.85	-	-	131075.85
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities	-	-	130735.60	-	-	130735.60
Total	1239.17	5.45	266757.4	964.58	-	268966.57

*Includes interest accrued on borrowings

(as of March 31, 2017 Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	284.75	6705.16	-	-	6989.91
Short term borrowings (cash credit)*	-	-	64941.72	-	-	64941.72
Long Term Borrowings	-	-	123854.05	-	-	123854.05
Other Financial Liabilities	-	-	76332.64	-	-	76332.64
Total	-	284.75	271833.57	-	-	272118.33

*Includes interest accrued on borrowings

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

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

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

- The amount capitalized with Property, Plant & Equipment as borrowing cost is RS. NIL & RS. NIL for the year ended March 31, 2018 & March 31, 2017 respectively.
- The amount is capitalized using the capitalization rate of NIL percentage.

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

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

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

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

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

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

a. Provident Fund:

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

b. Gratuity:

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Leave Encashment:

Provident Fund (Defined Contribution Obligation):

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

Net defined benefit obligation

Particulars		Gratuity	Leave Encashment
Defined Benefit Obligation	C.Y.	82.90	14.65
	P.Y.	167.74	30.02
Fair Value of Plan Assets	C.Y.	-	-
	P.Y.	-	-
Funded Status [Surplus/(Deficit)]	C.Y.	-	-
	P.Y.	-	-
Effect of asset ceiling	C.Y.	-	-
	P.Y.	-	-
Net Defined Benefit Assets/(Liabilities)	C.Y.	82.90	14.65
	P.Y.	167.74	30.02

Movement in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
Present value of obligations as at beginning of year	167.74	167.77	30.02	46.89
Interest Cost	3.42	11.30	3.16	4.31
Current service cost	9.39	3.67	1.06	(10.25)
Benefits paid	(36.64)	(1.00)	11.05	(0)
Actuarial loss/(Gain)	(61.01)	(14.00)	(30.64)	15.02
Present value of obligations at year end	82.90	167.74	14.65	30.02
Current Liability	13.50	6.00	6.50	-
Non-Current Liability	69.40	161.74	8.15	-

Movement in plan asset

(Amount in Rs)

Particulars		Gratuity
Fair value of plan assets at beginning of year	C.Y.	13.92
	P.Y.	13.92
Interest income	C.Y.	0.78
	P.Y.	-
Employer contributions	C.Y.	-
	P.Y.	-
Benefits paid	C.Y.	-
	P.Y.	-
Re-measurements - Actuarial (loss)/ gain	C.Y.	(8.44)
	P.Y.	-
Re-measurements – Return on plan assets greater/(less) than discount rate	C.Y.	-
	P.Y.	-
Fair value of plan assets at end of year	C.Y.	6.29
	P.Y.	13.29

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

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Gratuity Cost for the year ended 31.03.18				
Current service cost	-	3.67	-	(10.25)
Interest Cost	-	11.30	-	4.31
Expected return on plan assets	-	(0.60)	-	-
Net Actuarial (Gain)/Loss	-	(14.00)	-	15.02
Expense recognized in the year	-	1.37	-	(9.08)
Assumptions in accounting for the Gratuity Fund				
Discount Rate	7.70%	8.00%	7.70%	8.00%
Salary Escalation Rate	7.00%	10%	7.00%	10%
Expected Average remaining working lives of employees (years)	16	18	16	18

Actuarial Assumption

Particulars		Gratuity	Leave Encashment
Method used	C.Y.	Projected Unit Credit Method	Projected Unit Credit Method
	P.Y.	Projected Unit Credit Method	Projected Unit Credit Method
Discount rate	C.Y.	7.70%	7.70%
	P.Y.	8.00%	8.00%
Rate of salary increase	C.Y.	7%	7%
	P.Y.	10%	10%
Price inflation rate	C.Y.	-	-
	P.Y.	-	-
Medical inflation rate	C.Y.	-	-
	P.Y.	-	-
Expected Average remaining working lives of employees (years)	C.Y.	16	16
	P.Y.	18	18

13. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”**13.1. Disclosures for Other than Govt. Related Entities****a. List of key management personnel**

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

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term benefits	59.20	50.47
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
Total	59.20	50.47

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Recovery of Loans & Advances during the year	-	
Advances released during the year	-	-
Closing Balance of Loans & Advances as on 31.03.2018	-	-

List of Subsidiaries:

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31.03.2018
Subsidiaries held directly		
Telesuprecon Limited	Mauritius	51
Digitech Business Systems Limited	Hong Kong	100
STL Africa Limited	Mauritius	100

c. Transactions with Related Parties

(Amount in Lakhs)

Particulars	Subsidiaries		Associates	
	2017-18	2016-17	2017-18	2016-17
A Sales				
Splendid Metal Products Ltd	-	-	519.94	517.27
Sujana Universal Industries Limited	-	-	-	0
Sub-Total	-	-	519.94	517.27
B Purchases				
Splendid Metal Products Ltd	-	-	77.67	345.57
Sujana Universal Industries Limited	-	-	-	0
Sub-total	-	-	77.67	345.57
Grand Total	-	-	607.61	862.84

d. Loans to Subsidiaries:

(Amount in Lakhs)

Particulars	Telesuprecon Limited	
	March 18	March 17
Loans at beginning of the year	1114.79	1114.79
Loan advanced	-	-
Repayment received	-	-
Interest charged	-	-
Interest received	-	-
Balance at end of the year including interest	1114.79	1114.79

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

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

14.1 As lessee

(Amount in Lakhs)

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

Particulars	Total Minimum Lease payments outstanding		Future Interest on Outstanding Payments		Present Value of Minimum Lease Payments	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Within one year	Nil	1.77	Nil	0.15	Nil	1.62
Latter than one year and not later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	1.77	Nil	0.15	Nil	1.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**15. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share(EPS)”****a. Basic EPS**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (Loss) for the year, attributable to the owners of the company	(46263.32)	(49192.22)
Earnings used in calculation of basic earnings per share (A)	(46263.32)	(49192.22)
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	56544552	56544552
	(81.82)	(87.00)

b. Diluted EPS

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(46263.32)	(49192.22)
Earnings used in calculation of basic earnings per share(A)	(46263.32)	(49192.22)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	56544552	56544552
Basic EPS(A/B)	(81.82)	(87.00)

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

Particulars	Opening balance as on 01.04.17	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.18
Employee Benefit Obligation	49.41	-	-	-	-	49.41
Provision for fringe benefit tax	10.70	-	-	-	-	10.70
Provision for Income Tax	5527.80	-	-	-	-	5527.80
Total	5587.91	-	-	-	-	5587.91

Contingent Liabilities:

(Rs. Lakhs)

	Particulars	2017-18	2016-17
a	Claims against the company not acknowledged as debts including foreign currency claim towards:	-	-
b	Guarantees excluding financial guarantees	-	-
c	Other money for which the company is contingently liable	-	-
i.	Guarantees issued by banks on behalf of the company	356.51	1602.9
ii.	Letters of credit opened by the company remaining outstanding	-	-
iii.	Bonds furnished to custom authorities for submission of original documents etc., remaining outstanding		
d	Disputed Income Tax Demand	-	-
e	Disputed TDS demands		
f	Disputed Sales Tax Demand	167.69	80.29
g	Disputed Service Tax Demand	-	-
h	Disputed Central Excise & Customs Demand	30.98	30.98
i	Others (PF etc. specify nature of demand)	-	-
	Total	555.18	1714.17

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. Accounting Policies under IndAS:

i. Significant Accounting Policies

1.1 Statement of Compliance and basis of preparation of Financial Statements

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

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

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

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

1.3. Use of estimates and judgment

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

1.4. Functional and presentation currency

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

1.5. Revenue Recognition

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

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

1.6. Property, Plant and Equipment's

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

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

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

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

1.7. Intangible Assets

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

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

1.8. Non-Current Assets Held for Sale

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

1.9. Depreciation

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

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

Name of Assets	Useful life as adopted by the company as per Schedule II
A. General Assets	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	10
Vehicles – Car	8
Computers - Servers and networks	6
Computers – End User Devices	3
Lease-hold Land	As per Lease Agreement

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

1.10. Borrowing Costs

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

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

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

1.11. Inventory

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

Stores and Spares, Packing material are carried at cost, ascertained on weighted average basis.

Necessary provision is made in the case of obsolete and non moving items.

1.12. Provisions

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

1.13. Contingent Liabilities / Assets***Contingent Liabilities***

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

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

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

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

Contingent Assets

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

1.14. Leases

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

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

1.15. Employee benefits

- i. Provision for gratuity, leave encashment/availment and long service benefits i.e. service award, compassionate gratuity and employees' family benefit scheme is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

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

Short-term employee benefit obligations

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

1.16. Taxation

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

Current tax

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

Deferred tax

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Current and deferred tax for the year

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

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

1.17. Investment Property

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

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

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

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

1.18. Impairment

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is

recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, The Company estimates the recoverable amount

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified,

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

Impairment of financial assets

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

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

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

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

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

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

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

De-recognition of financial assets:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

1.19. Earnings per share

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

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

1.20. Discontinued operations

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

1.21. Financial instruments*Non-derivative financial instruments*

Non-derivative financial instruments consist of:

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

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

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

a) Cash and cash equivalents

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

- c) Loans and receivables

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

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

- d) Trade and other payables

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

- e) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost

An entity controlled by the company is considered as a subsidiary of the company.

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

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

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

1.22. Segment Information

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

1.23. Prior Period Errors

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

18. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30.05.2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in Lakhs

STATEMENT OF CHANGES IN EQUITY (SOCIE)

	As at March 31, 2018		As at March 31, 2017	
	Rupees in Lakhs	Rs.	No. of Shares	Rs.
(A) Equity share capital				
Balance at the beginning of the reporting period	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Change in equity Share capital during the year	1,26,83,229	126.83	1,26,83,229	126.83
Balance at the end of the reporting period	6,92,27,781	5,781.29	6,92,27,781	5,781.29
(B) Other equity				
	Reserves & Surplus			
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve
Balance as at April 1, 2017	11,669.67	247.30	36,332.19	-
Profit/(loss) for the year	-	-	-	11,283.79
Other comprehensive income for the year, net of taxes	-	-	-	(49,192.22)
Others	-	-	-	-
Total comprehensive income for the year	-	49.50	-	(49.50)
Dividend (including tax on dividend)	-	49.50	-	(49,241.72)
Balance as at March 31, 2018	11,669.67	296.80	36,332.19	-
Balance as at April 1, 2018	11,669.67	296.80	36,332.19	-
Profit for the year	-	-	-	(37,957.93)
Other comprehensive income for the year, net of taxes	-	-	-	(37,957.93)
Others	-	-	-	(46,263.32)
Total comprehensive income for the year	-	-	-	-
Dividend (including tax on dividend)	-	-	-	-
Balance as at March 31, 2018	11,669.67	296.80	36,332.19	(46,263.32)
See accompanying notes forming part of the financial statements				
	11,669.67	296.80	36,332.19	(84,221.25)
				(35,922.59)

As per our report of even date

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

P.V. Sri Hari

Partner

Membership No. 21961

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussien

Company Secretary

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.01 Property, Plant and Equipment										Rs. in lakhs	
PARTICULARS	Gross Block			Depreciation			Net Block				
	As on 01.04.2017	Additions	Deletions	As on 31.03.2018	As on 01.04.2017	For the Period	On Deletions	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017	
A) Tangible Assets											
Land	1,868.84	-	-	1,868.84	-	-	-	-	1,868.84	1,868.84	
Building	3,554.18	-	-	3,554.18	879.17	118.71	-	997.88	2,556.30	2,675.01	
Plant & Machinery	1,85,081.11	-	-	1,85,081.11	33,229.04	9,246.73	-	42,475.77	1,42,605.34	1,51,852.07	
Workshop Equipments	9.60	-	-	9.60	5.08	0.46	-	5.54	4.06	4.52	
Weighing Machine	11.34	-	-	11.34	8.39	0.54	-	8.93	2.41	2.95	
Electrical Installations	174.72	-	-	174.72	89.04	8.30	-	97.34	77.38	85.67	
Furniture & Fixtures	33.16	-	-	33.16	19.38	2.12	-	21.50	11.66	13.78	
Office Equipments	50.55	-	-	50.55	21.81	2.45	-	24.26	26.29	28.74	
Vehicles	193.36	-	-	193.36	180.31	9.77	-	190.08	3.28	13.05	
Computers	108.10	-	-	108.10	108.10	-	-	108.10	-	-	
	1,91,084.96	-	-	1,91,084.96	34,540.32	9,389.07	-	43,929.39	1,47,155.56	1,56,544.64	
Less: Revaluation Reserve						-					
Total of Tangible Assets (A)	1,91,084.96	-	-	1,91,084.96	34,540.32	9,389.07	-	43,929.39	1,47,155.56	1,56,544.64	
B) Intangible Assets											
Computer Software	17.13	-	-	17.13	14.77	2.09	-	16.87	0.27	2.36	
Total (A+B)	1,91,102.09	-	-	1,91,102.09	34,555.10	9,391.16	-	43,946.26	1,47,155.83	1,56,546.99	
Note : Depreciation is provided on Straight Line Basis applying the rates specified in the Schedule II to the Companies Act, 2013. Depreciation on the revalued fixed assets charged to revaluation reserve.											

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2018	2017
2.02 Non-Current Investments			
Investments in Equity Instruments			
In Wholly Owned Subsidiary Companies (Unquoted, Non-trade, at cost)			
Investment in Subsidiaries - Equity instruments- Unquoted		13,993.47	13,993.47
23,32,04,400 (Previous Year 39,000) Equity Shares of HKD 1 each fully paid in Digitech Business Systems Limited		0.22	0.22
510 (Previous Year 510) Equity Shares of USD 1 each fully paid in Telesupricon Ltd		0.05	0.05
116 (Previous Year 116) Equity shares of USD 1 each fully paid in STL Africa Ltd			
Total		13,993.74	13,993.74
2.03 Non-Current Loans			
Loans and Advances to Subsidiaries		1,114.79	1,114.79
		1,114.79	1,114.79
2.04 Other non-current assets			
Other Loans & Advances		1,095.38	1,095.38
Total		1,095.38	1,095.38
2.05 Inventories			
(at lower of cost or net realizable value)		365.51	299.51
Raw Materials		36.31	180.64
Work in Process		588.19	1,038.44
Finished Goods		586.00	688.11
Stores and Spares		-	-
Total		1,576.00	2,206.70
2.06 Trade Receivables			
a) Unsecured & Considered Good		95,371.98	1,28,908.20
b) Doubtful Debtors		40,873.70	6,863.99
		1,36,245.68	1,35,772.19
Less: Provision for doubtful debts		40,873.70	6,863.99
Total		95,371.98	1,28,908.20
2.07 Cash and Cash Equivalents			
Cash on Hand		0.34	2.80
Bank Balances in Current Accounts		24.22	33.57
Deposits with banks		48.35	48.35
		72.92	84.72
Notes: Margin Money Deposits represents margin money kept with various banks for issue of Letter of Credits.			
2.08 Other Current Assets			
Advance for Expenses & Others		32.15	80.06
Advances to Suppliers & Others		24.99	3,085.30
Margin Money With Parties		40.18	419.74
Deposits with Govt Deposit (incl Excise, VAT)		1,266.05	1,409.35
Total		1,363.38	4,994.44

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.09 Equity Share Capital

Rupees in lakhs

(i) The authorised, issued, subscribed and fully paid-up share capital				
Particulars	For the year ended 31 March 18		For the year ended 31 March 17	
	No. of shares	Rs.	No. of shares	Rs.
Authorised:				
Equity shares of ₹ 10 each with voting rights	79,00,00,000	79,000.00	79,00,00,000	79,000.00
1% Cumulative Redeemable Preference Shares of Rs. 100/- each	21,00,00,000	2,10,000.00	21,00,00,000	2,10,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	5,65,44,552	5,654.46	5,65,44,552	5,654.46
1% Cumulative Redeemable Preference Shares of Rs.100/- each	1,26,83,229	126.83	1,26,83,229	126.83
Total	6,92,27,781	5,781.29	6,92,27,781	5,781.29
The equity shares of the Company having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend.				
Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.				

(ii) Details of shares held by each share holder holding more than 5% shares				
Name of shareholder	For the year ended 31 March 18		For the year ended 31 March 17	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 10 each with voting rights				
Yalamanchili Finance & Trading (P) Ltd	47,67,500	8.43%	47,67,500	8.43%
Sujana Holdings Limited	1,21,29,629	21.45%	1,21,29,629	21.45%
Foster Infin & Trading (P) Ltd	50,95,999	9.01%	50,95,999	9.01%
Total	2,19,93,128	38.89%	2,19,93,128	38.89%

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
	For the year ended 31 March 18		For the year ended 31 March 17	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares				
Opening balance	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Issued during the year	1,26,83,229	126.83	1,26,83,229	126.83
Closing balance	69,227,781	5,781.29	6,92,27,781	5,781.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rupees in lakhs

		Year ended 31st March	
		2018	2017
2.10 Non-Current Borrowings			
Secured			
a) Term Loans from Banks (Refer to Note 1)			
i) Term Loan from Banks	-	60,998.79	
ii) From other Parts	-	3,942.93	
	-	64,941.72	
Un-Secured			
Promoters Contribution as per CDR Schedule	13,336.54	13,366.91	
Unsecured Loan Others	3,252.58	3,252.58	
Deferred sales tax liability	304.67	304.67	
Loans from Promoters and Promoter Group Companies	16,500.00	16,500.00	
	33,393.79	33,424.16	
Total	33,393.79	98,365.88	
2.11 Provisions			
Non-current			
Employee Benefit obligation	204.27	204.27	
	204.27	204.27	
Current			
Other Provisions			
Employee Benefit obligation	49.41	49.41	
Dividends & Dividend Tax on CRPS	16.64	16.64	
Provision for Fringe Benefit Tax	10.70	10.70	
Provision for Income Tax	5,527.80	5,527.80	
	5,604.55	5,604.55	
Total	5,808.82	5,808.82	
2.12 Deferred Tax Liability / (Asset) (Net)			
Opening Balance	14,432.91	11,243.99	
Add: Deferred Tax Assets in relation to			
(i) Difference in depreciation & amortisation for accounting and income tax purposes	2,348.81	3,255.74	
(ii) Provision for employee benefits	(66.83)	(66.83)	
(iii) Disallowance under Section 43B of Income Tax Act, 1961	-	-	
Deferred Tax Liability / (Asset) (Net)	16,714.88	14,432.91	
2.13 Current Borrowings			
Secured			
From Consortium Banks	1,31,075.82	1,23,854.05	
From Other Banks	-	-	
Total	1,31,075.82	1,23,854.05	
2.14 Trade Payables			
i) Acceptance (Refer to Note 1 & 2)	-	-	
ii) Trade Payables	7,155.14	6,989.92	
Total	7,155.14	6,989.92	
2.15 Other Financial Liabilities			
Current Maturities of Long Term Debt (Secured)	88,463.79	34,690.02	
Vehicle Loans	-	1.77	
Term Loans	8,711.61	7,948.68	
Advances from Customers	-	-	
Statutory Liabilities	166.41	268.01	
Total	97,341.81	42,908.48	
2.16 Other Current Liabilities			
Loans and advances from related parties	-	-	
Sundry Creditors for Services & Others	395.05	462.89	
Total	395.05	462.89	

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Year ended 31st March 2018	Year ended 31st March 2017
2.17 Revenue from Operations			
From Sale of Products (Gross)			
- Domestic		6,477.89	20,706.05
- Exports		-	-
Total		<u>6,477.89</u>	<u>20,706.05</u>
2.18 Other Income			
Interest Income		1.46	7.85
Other Operating Income		-	7.65
Total		<u>1.46</u>	<u>15.50</u>
2.19 (a) Cost of Material Consumed			
Opening Stock of Raw material		299.51	591.97
Add: Purchases		5,216.61	2,732.40
		<u>5,516.12</u>	<u>3,324.37</u>
Less: Closing Stock		365.51	299.51
Total		<u>5,150.62</u>	<u>3,024.86</u>
(b) Purchases of Stock-in-Trade			
Opening stock		-	-
Add: Purchases		-	15,730.02
Add (Less:) Raw material received (transferred)		-	-
		<u>-</u>	<u>15,730.02</u>
Less: Closing stock		-	-
Stock-in-Trade materials consumed		<u>-</u>	<u>15,730.02</u>
2.20 Changes in Inventories			
a) Opening Stock			
Finished Goods		1,038.44	1,151.01
Work-in-Progress		180.64	729.79
		<u>1,219.08</u>	<u>1,880.81</u>
b) Closing Stock			
Finished Goods		588.19	1,038.44
Work-in-Progress		36.31	180.64
		<u>624.49</u>	<u>1,219.08</u>
(Increase) / Decrease (a - b)		<u>594.59</u>	<u>661.72</u>
2.21 Employee Benefits Expense			
Salaries and Wages		363.72	454.51
Contribution to Provident and Other Funds		21.72	27.91
Directors remuneration		-	-
Total		<u>385.44</u>	<u>482.43</u>
2.22 Finance Costs			
Interest on working capital loans		-	12,645.77
Interest Expenses on Term Loans		-	15,233.90
Other borrowing costs		35.87	1,366.86
Total		<u>35.87</u>	<u>29,246.53</u>
2.23 Other Expenses			
Consumption of stores, loose tools and spare parts		557.16	584.96
Power and fuel		157.31	217.60
Repairs and maintenance:		4.91	10.34
Rates and taxes, excluding, taxes on income		7.21	44.67
Insurance		11.75	12.71
Traveling and conveyance		13.46	16.52
Communication		2.45	5.70
Contract labor charges (security charges)		29.85	57.42
Legal and professional fees		34.55	78.22
Auditor Remuneration		5.00	22.85
Sales promotion and advertisement		3.12	11.53
Provision for Bad Debts		34,009.72	6,626.61
Printing and stationery		1.52	4.05
Sitting Fees		1.88	2.51
Miscellaneous expenses		0.05	1.24
Total		<u>34,839.95</u>	<u>7,696.91</u>

Consolidated Accounts for the year ended 31.03.2018

NEUEON TOWERS LIMITED

INDEPENDENT AUDITORS' REPORT

To

The Members

NEUEON TOWERS LIMITED, Hyderabad.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Neueon Towers Limited (herein referred to as "the Holding Company"), and its subsidiaries, (the Holding Company and its subsidiaries, together are referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year ended on that date and a summary of the Significant Accounting Policies and other information annexed thereto (herein after referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013, (the Act) that give a true and fair view of the consolidated financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting standards and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the consolidated Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated financial position of the Group, as at March 31, 2018, and its Consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the Financial Statements of one subsidiary, whose Financial Statements reflect total assets (net) of Rs. 19820.79 lakhs as at March 31, 2018, total revenues of Rs. 866.14 lakhs and net cash inflows amounting to Rs. 5.36 lakhs for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- (b) We did not audit the Financial Statements of two subsidiaries, whose financial statements reflect total assets (net) of Rs.15190.19 lakhs as at 31st March, 2018, there are NIL total revenues and net cash outflows for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of two subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that.

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and the Consolidated statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid consolidate Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule

NEUEON TOWERS LIMITED

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:

- i. There are no pending litigations for the company that will impact the financial position of the company;
- ii. There are no foreseeable losses on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For VENUGOPAL & CHENYO

Chartered Accountants

FRN: 004671S

Place: Hyderabad

Date: 30.05.2018

P.V. SRI HARI, Partner

Membership No. 21961

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Neueon Towers Limited (herein referred to as "the Holding Company") as of 31st March 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date. As all the subsidiaries of Neueon Towers Limited are incorporated outside India, this report is given only for Holding Company.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the

design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VENUGOPAL & CHENoy

Chartered Accountants

FRN: 004671S

P.V. SRI HARI

Partner

Membership No. 21961

Place: Hyderabad

Date: 30.05.2018

NEUEON TOWERS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

(Rupees in Lakhs)

	Particulars	Note No.	As at 31st March	
			2018	2017
A	ASSETS			
1	Non- Current Assets			
(a)	Property, Plant and Equipment	2.01	1,47,328.51	1,56,717.59
(b)	Capital Work-in-Progress		-	-
(c)	Other Intangible Assets	2.01	0.27	2.36
(d)	Financial Assets			
(i)	Investments		-	-
(ii)	Trade Receivables		-	-
(iii)	Loans	2.02	1,114.79	1,114.79
(iv)	Others		-	-
(d)	Deferred tax asset	2.12	-	-
(e)	Other non-current assets	2.03	1,095.38	1,095.38
			<u>1,49,538.95</u>	<u>1,58,930.12</u>
2	Current Assets			
(a)	Inventories	2.04	1,716.44	2,347.13
(b)	Financial Assets			
(i)	Trade receivables	2.05	1,72,529.32	2,06,065.53
(ii)	Cash and cash equivalents	2.06	114.08	125.89
(c)	Other current assets	2.07	1,388.47	5,014.18
			<u>1,75,748.31</u>	<u>2,13,552.73</u>
	TOTAL		<u>3,25,287.28</u>	<u>3,72,482.85</u>
B	EQUITY AND LIABILITIES			
1	EQUITY			
(a)	Equity Share Capital	2.08	5,781.29	5,781.29
(b)	Other Equity		(22,562.83)	23,695.11
			<u>(16,781.54)</u>	<u>29,476.40</u>
	LIABILITIES			
2	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	2.09	7,784.77	72,726.49
(ii)	Trade Payables		-	-
(iii)	Other Financial Liabilities	2.09	33,393.79	33,424.16
(b)	Provisions	2.10	204.27	204.27
(c)	Deferred tax liabilities (Net)	2.11	16,708.17	14,426.19
(d)	Other non-current liabilities		-	-
			<u>58,091.00</u>	<u>1,20,781.11</u>
3	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	2.12	1,31,075.82	1,23,854.05
(ii)	Trade payables	2.13	48,015.93	47,850.70
(iii)	Other financial liabilities	2.14	97,336.40	42,908.48
(b)	Provisions	2.10	5,604.55	5,604.55
(c)	Other current liabilities	2.15	1,945.12	2,007.55
			<u>2,83,977.82</u>	<u>2,22,225.33</u>
	Total Equity and Liabilities		<u>3,25,287.28</u>	<u>3,72,482.84</u>

See accompanying notes forming part of the financial statements

As per our report of even date

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

P.V. Sri Hari

Partner

Membership No. 21961

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussen

Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31.03.2018

(Rs. In Lakhs)

Particulars	Note No	For the Year Ended	
		2018	2017
I Revenue			
Revenue from Operations	2.16	7,344.03	24,871.58
Other Income	2.17	1.46	15.50
Total Revenue		7,345.49	24,887.08
II Expenses			
Cost of Materials Consumed	2.18	5,150.61	3,024.86
Excise duty		63.08	393.87
Purchase of Stock-in-Trade	2.18	846.69	19,776.83
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.19	594.58	661.72
Employee Benefit Expenses	2.20	385.44	482.42
Finance Costs	2.21	39.29	29,251.66
Depreciation and Amortization Expenses	2.01	9,391.17	9,488.52
Other Expenses	2.22	34,850.61	7,699.20
Total Expenses		51,321.47	70,779.08
III Profit Before Exceptional Items and Tax (I - II)		(43,975.98)	(45,891.99)
IV Exceptional Items		-	-
V Profit Before Tax (III - IV)		(43,975.98)	(45,891.99)
VI Tax Expense:			
Current tax		-	-
Deferred tax		2,281.98	3,188.91
VII Profit for the Year (VI - VI)		(46,257.96)	(49,080.90)
VIII Other Comprehensive Income			
IX Other comprehensive income (Net of taxes)		-	-
X Total comprehensive income for the Year (VIII + IX)		(46,257.96)	(49,080.90)
XI Earnings Per Equity Share of Rs.10 each			
(a) Basic		(81.81)	(86.80)
(b) Diluted		(81.81)	(86.80)

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

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

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

P.V. Sri Hari
Partner
Membership No. 21961

S. Kalyani
Vice-President (Finance)

Pathan Apser Hussien
Company Secretary

Place: Hyderabad
Date: May 30, 2018

NEUEON TOWERS LIMITED

Cosolidated Cash Flow Statement for the Year Ended 31.03.2018

(Rs. in Lakhs)

Particulars	For the year ended 31st March	
	2018	2017
A Cash flows from Operating activities		
Net Profit / (Loss) Before Tax for the year	(43,975.98)	(45,891.99)
Adjustments for		
Depreciation	9,391.17	9,488.52
Finance Costs	39.29	29,251.65
Interest & other income	(1.46)	(7.85)
Provision for Gratuity & Leave Encashment	-	7.29
Provision for doubtful debts	34,009.72	6,626.61
Operating Profit Before Working Capital Changes	(537.26)	(525.77)
Movements in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	630.69	829.35
Trade Receivables	(473.51)	9,228.50
Loans & Advances	-	-
Other Financial Assets	-	-
Other Assests	3,625.71	(2,583.09)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	165.23	(4,669.22)
Provisions	-	18.77
Financial Laibilities	54,397.55	6,614.45
Other Liabilities	(62.43)	17,884.43
Cash Generated from Operations	57,745.98	26,797.42
Less: Taxes paid	-	-
Cash from Operating Activities (A)	57,745.98	26,797.42
B Cash flows from Investing activities		
Purchase of Fixed Assets	-	(144.02)
Interest Received	1.46	7.85
Cash from Investment Activities (B)	1.46	(136.17)
C Cash flows from Financing activities		
Proceeds from Borrowings	(57,719.95)	(28.36)
Interest & Financial Charges Paid	(39.29)	(26,671.24)
Net Cash from financing activities (C)	(57,759.24)	(26,699.60)
Net Increase in cash and cash equivalent (A+B+C)	(11.80)	(38.35)
Cash and Cash Equivalents at the beginning of the year	125.88	164.23
Cash and Cash Equivalent at the end of the year	114.08	125.88

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

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

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

P.V. Sri Hari
Partner
Membership No. 21961

S. Kalyani
Vice-President (Finance)

Pathan Apser Hussen
Company Secretary

Place: Hyderabad
Date: May 30, 2018

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

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

2. Basis of preparation of Financial Statements

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

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

Upto the year ended March 31, 2016, the Group has prepared its consolidated financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP"

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

3. Principles of Consolidation

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

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

4. Other Significant Accounting Policies

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

The significant accounting policies are given at Note 16.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. Use of estimates and judgment :

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

7. Commitments

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

8. General Disclosures :-

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

Value of Materials Consumed during the year

Description	For the year ended 31.03.2018			For the Year ended 31.03.2017		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	15048.055	5027.17	98	11468	3024.87	100
Imported	-	-	-	-	-	-
Tower Parts						
Indigenous	268.210	123.45	2	-	-	-
Imported	-	-	-	-	-	-
Others						
Indigenous	-	-	-	-	-	-
Imported	-	-	-	-	-	-
Total	-	5150.62	100		3024.86	100

Value of bought-out material consumed

(Rs. in Lakhs)

Description	For the year ended 31.03.2018			For the Year ended 31.03.2017		
	Mts.	Rs. (in Lakhs)	%	Mts.	Rs. (in Lakhs)	%
Iron Steel						
Indigenous	88.00	19.39	4	25767	11138.18	71
Imported	-	-	-	-	-	-
Tower Parts						
Indigenous	-	444.53	96	8946	4591.83	29
Imported	-	-	-	-	-	-
Others						
Indigenous	-	-	-	-	-	-
Imported	-	-	-	-	-	-
Total	-	463.92	100	-	15730.01	100

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Value of Consumables, Stores and Spares consumed during the period**

(Rs in Lakhs)

Description	For the year ended 31.03.2018	%	For the year ended 31.03.2017	%
Consumables(Indigenous)	516.70	100	507.98	100
Consumables(Imported)		-		-
Total	516.70	100	507.98	100

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

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

(Amount in Rs as of March 31, 2018)

Particulars	Cost	Financial assets / liabilities at FVTPL	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	-	-	-	-	-
Cash & Cash Equivalents (Ref Note No. 2.06)	114.08	-	-	114.08	-
Trade Receivable (Ref Note No. 2.05)	172529.32	-	-	172529.32	-
Loans & Advances (Ref Note No. 2.02)	1114.79	-	-	1114.79	-
Liabilities:					
Trade Payable (Ref Note No. 2.13)	48015.93	-	-	48015.93	-
Borrowings (Ref Note No 2.09 & 2.12)	138860.59	-	-	138860.59	-
Other Financial Liabilities (Ref Note No. 2.09 & 2.14)	130730.19	-	-	130730.19	-

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

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2017:

(Amount in Rs as of March 31, 2017)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments in Equity Instruments	-	-	-	-	-
Cash & Cash Equivalents (Ref Note No. 2.06)	125.89	-	-	125.89	-
Trade Receivable (Ref Note No. 2.05)	206065.53	-	-	206065.53	-
Loans & Advances (Ref Note No. 2.02)	1114.79	-	-	1114.79	-
Liabilities:					
Trade Payable (Ref Note No. 2.13)	47850.70	-	-	47850.70	-
Borrowings	196580.54	-	-	196580.54	-
Other Financial Liabilities (Ref Note No. 2.09 & 2.14)	76332.64	-	-	76332.64	-

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11.1 Financial risk management

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

- market risk
- credit risk and
- liquidity risk

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

a. Market risk

Foreign Exchange Risk

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

b. Credit Risk

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

Trade Receivables

The company has outstanding trade receivables amounting to Rs 172529.32 lakhs and Rs 206065.53 lakhs as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

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

Credit risk exposure

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

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

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

(As at 31st March, 2017, Rs. Lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	206065.53	-	-
Past due less than 30 days	-	-	50.55
Past due more than 30 days but not more than 60 days	-	-	53.66
Past due more than 60 days but not more than 90 days	-	-	76.69
Past due more than 90 days but not more than 120 days	-	-	4053.16
Past due more than 120 days	-	-	20183.47
Total	206065.03	-	206065.53

Trade receivables are generally considered credit impaired after three years past due (except government dues), unless the amount is considered receivable, when recoverability is considered doubtful based on the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

recovery analysis performed by the company for individual trade receivables. . Owing to the non completion of majority of the contracts taken from the customers by the Company, Company is currently facing a log jam in the cash flows and recovery from the debtors, especially in the cases where the dues are past 120 days. There is a significant chance of pushing these amounts into litigation, if supplies are not completed in the near future. Since Company believes that there is every possibility of commencing the operations soon with the help of the financing institutions, by way of a suitable re-structuring of the debt or such other mechanism. With regard to trade receivable on certain transactions, the company has equivalent trade payables to associate suppliers which are payable on realization of trade receivables. Such trade receivables are considered not impaired though past due.

Other financial assets

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

c) Liquidity Risk

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

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

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

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

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

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

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

*Includes interest accrued on borrowings

(as of March 31, 2017. Rs. Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	284.75	47565.95	-	-	47850.70
Short term borrowings (cash credit)*	-	-	72726.49	-	-	72726.49
Long Term Borrowings	-	-	123854.05	-	-	123854.05
Other Financial Liabilities	-	-	76332.64	-	-	76332.64
Total	-	284.75	320479.13	-	-	320763.88

*Includes interest accrued on borrowings

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- ❖ The amount capitalized with Property, Plant & Equipments as borrowing cost is RS. NIL & RS. NIL for the year ended March 31, 2018 & March 31, 2017 respectively.
- ❖ The amount is capitalized using the capitalization rate of NIL%.

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

During the year, the company assessed the impairment loss of assets and is of the opinion.

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

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

a. Provident Fund:

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

b. Gratuity:

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

c. Leave Encashment:

Provident Fund(Defined Contribution Obligation):

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

Net defined benefit obligation

Particulars		Gratuity	Leave Encashment
Defined Benefit Obligation	C.Y.	82.90	14.65
	P.Y.	167.74	30.02
Fair Value of Plan Assets	C.Y.	-	-
	P.Y.	-	-
Funded Status [Surplus/(Deficit)]	C.Y.	-	-
	P.Y.	-	-
Effect of asset ceiling	C.Y.	-	-
	P.Y.	-	-
Net Defined Benefit Assets (Liabilities)	C.Y.	82.90	14.65
	P.Y.	167.74	30.02

Movement in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
Present value of obligations as at beginning of year	167.74	167.77	30.02	46.89
Interest Cost	3.42	11.30	3.16	4.31
Current service cost	9.39	3.67	1.06	(10.25)
Benefits paid	(36.64)	(1.00)	11.05	(0)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Actuarial loss/(Gain)	(61.01)	(14.00)	(30.64)	15.02
Present value of obligations at year end	82.90	167.74	14.65	30.02
Current Liability	13.50	6.00	6.50	-
Non-Current Liability	69.40	161.74	8.15	-

Movement in plan asset

(Amount in Rs)

Particulars		Gratuity
Fair value of plan assets at beginning of year	C.Y.	13.92
	P.Y.	13.92
Interest income	C.Y.	0.78
	P.Y.	-
Employer contributions	C.Y.	-
	P.Y.	-
Benefits paid	C.Y.	-
	P.Y.	-
Re-measurements - Actuarial (loss)/ gain	C.Y.	(8.44)
	P.Y.	-
Re-measurements – Return on plan assets greater/(less) than discount rate	C.Y.	-
	P.Y.	-
Fair value of plan assets at end of year	C.Y.	6.26
	P.Y.	13.29

Amount Recognized in Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Gratuity Cost for the year ended 31.03.18				
Current service cost	-	3.67	-	(10.25)
Interest Cost	-	11.30	-	4.31
Expected return on plan assets	-	(0.60)	-	-
Net Actuarial (Gain)/Loss	-	(14.00)	-	15.02
Expense recognized in the year	-	1.37	-	(9.08)
Assumptions in accounting for the Gratuity Fund				
Discount Rate	7.70%	8.00%	7.70%	8.00%
Salary Escalation Rate	7.00%	10%	7.00%	10%
Expected Average remaining working lives of employees (years)	16	18	16	18

Actuarial Assumption

Particulars		Gratuity	Leave Encashment
Method used	C.Y.	Projected Unit Credit Method	
	P.Y.	Projected Unit Credit Method	
Discount rate	C.Y.	7.70%	7.70%
	P.Y.	8.00%	8.00%
Rate of salary increase	C.Y.	7%	7%
	P.Y.	10%	10%
Price inflation rate	C.Y.	-	-
	P.Y.	-	-
Medical inflation rate	C.Y.	-	-
	P.Y.	-	-

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Gratuity	Leave Encashment
Expected Average remaining working lives of employees (years)	C.Y.	16	16
	P.Y.	18	18

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

i. Disclosures for Other than Govt. Related Entities

List of key management personnel

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

ii. Compensation of key management personnel (Amount in Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term benefits	59.20	50.47
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits		-
Total	59.20	50.47
Recovery of Loans & Advances during the year		
Advances released during the year		
Closing Balance of Loans & Advances as on 31.03.20....		

List of Subsidiaries:

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31.03.2018
Subsidiaries held directly		
Telesuprecon Limited	Mauritius	51
Digitech Business Systems Limited	Hong Kong	100
STL Africa Limited	Mauritius	100

c. Transactions with Related Parties (Amount in Rs. in Lakhs)

Particulars	Subsidiaries		Associates	
	2017-18	2016-17	2017-18	2016-17
A Sales				
Splendid Metal Products Ltd	-	-	529.94	517.27
Sujana Universal Industries Limited	-	-	0	0
Sub-Total	-	-	529.94	517.27
B Purchases				
Splendid Metal Products Ltd	-	-	77.67	345.57
Sujana Universal Industries Limited	-	-	0	0
Sub-total	-	-	77.67	345.57
Grand Total	-	-	607.61	862.84

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**d. Loans to Subsidiaries:**

(Amount in Rs. in Lakhs)

Particulars	Telesuprecon Limited	
	March 17	March 16
Loans at beginning of the year	1114.79	1114.79
Loan advanced	-	-
Repayment received	-	-
Interest charged	-	-
Interest received	-	-
Balance at end of the year including interest	1114.79	1114.79

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

17. Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"**As lessee**

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

Particulars	Total Minimum Lease payments outstanding		Future Interest on Outstanding Payments		Present Value of Minimum Lease Payments	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Within one year	Nil	1.77	Nil	0.15	Nil	1.62
Latter than one year and not later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	1.77	Nil	0.15	Nil	1.62

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

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(46257.96)	(49192.22)
Earnings used in calculation of basic earnings per share(A)	(46257.96)	(49192.22)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	56544552	56544552
Basic EPS(A/B)	(81.81))	(86.80)

ii. Diluted EPS

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit (loss) for the year, attributable to the owners of the company	(46257.96)	(49192.22)
Earnings used in calculation of basic earnings per share(A)	(46257.96)	(49192.22)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	56544552	56544552
Basic EPS(A/B)	(81.81))	(86.80)

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(Amount in Rs. in Lakhs)

Particulars	Opening balance as on 01.04.17	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.18
Employee Benefit Obligation	49.41	-	-	-	-	49.41
Provision for fringe benefit tax	10.70	-	-	-	-	10.70
Provision for Income Tax	5527.80	-	-	-	-	5527.8
Total	5587.91	-	-	-	-	5587.91

20. Contingent Liabilities:

(Rs. Lakhs)

	Particulars	2017-18	2016-17
a	Claims against the company not acknowledged as debts including foreign currency claim towards:	-	-
b	Guarantees excluding financial guarantees	-	-
c	Other money for which the company is contingently liable	-	-
i.	Guarantees issued by banks on behalf of the company	356.51	1602.9
ii.	Letters of credit opened by the company remaining outstanding	-	-
iii.	Bonds furnished to custom authorities for submission of original documents etc., remaining outstanding		
d	Disputed Income Tax Demand	-	-
e	Disputed TDS demands		
f	Disputed Sales Tax Demand	167.69	80.29
g	Disputed Service Tax Demand	-	-
h	Disputed Central Excise & Customs Demand	30.98	30.98
i	Others (PF etc. specify nature of demand)	-	-
	Total	555.18	1714.17

21. Accounting Policies under Ind-AS:

i. Significant Accounting Policies

1. Statement of Compliance and basis of preparation of Financial Statements

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

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

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

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

3. Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

4. Functional and presentation currency

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

5. Revenue Recognition

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

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

6. Property, Plant and Equipment's

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

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

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

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

7. Intangible Assets

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

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

8. Non-Current Assets Held for Sale

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

continuing use. The non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

9. Depreciation

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

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

Name of Assets	Useful life as adopted by the company as per Schedule II
A. General Assets	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	10
Vehicles – Car	8
Computers - Servers and networks	6
Computers – End User Devices	3
Lease-hold Land	As per Lease Agreement
Wagon Rakes	As per Agreement / Wagon Investment Scheme
Electrical installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Roads	
Carpeted Roads – RCC	10
Carpeted Roads - Other than RCC	5
Non Carpeted Roads	3
Culverts	30
Buildings	
RCC	60
Other than RCC	30
Residential Flats (Ready Built)	
RCC	60
Other than RCC	30
Temporary Structure & wooden partition	3
Warehouse / Godown	30
B. Manufacturing Unit's Assets	
Factory Buildings	30
Electronic installations excluding fans	10
Water Supply, Sewerage and Drainage	5
Plant and Machinery	
Single Shift	15

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Double Shift	10
Triple Shift	7.5
Plant and Machinery- Wind Energy Generation Plant	22
C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company	5
D. Amortization of Intangible Assets	
Softwares	5 years or License period as applicable

10. Borrowing Costs

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

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

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

11. Inventory

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

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

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

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

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

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

12. Provisions

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

13. Contingent Liabilities / Assets***Contingent Liabilities***

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

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

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Contingent Assets

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

14. Leases

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

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

15. Employee benefits

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

Short-term employee benefit obligations

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

16. Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

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

17. Investment Property

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

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

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

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

18. Impairment

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

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

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

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

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

Impairment of financial assets

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

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

De-recognition of financial assets

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

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

19. Earnings per share

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

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

20. Discontinued operations

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

earlier of disposal or when the operation meets the criteria to be classified as held for sale.

21. Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

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

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

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

a) Cash and cash equivalents

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

b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

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

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

d) Trade and other payables

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

e) Investments in Subsidiary, Associates and Joint Venture

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The company accounts investment in subsidiary, joint ventures and associates at cost

An entity controlled by the company is considered as a subsidiary of the company.

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

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

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

22. Segment Information

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

23. Prior Period Errors

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

21. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30.05.2018.

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY (SOCIE)

Rupees in Lakhs

	As at March 31, 2018		As at March 31, 2017	
	Rupees in Lakhs	Rs.	No. of Shares	Rs.
(A) Equity share capital				
Balance at the beginning of the reporting period	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Change in equity Share capital during the year	1,26,83,229	127	1,26,83,229	127
Balance at the end of the reporting period	6,92,27,781	5,781.29	6,92,27,781	5,781.29
(B) Other equity				
		Reserves & Surplus		
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Foreign Currency Translation Reserve
Balance as at April 1, 2016	11,736.77	247.30	36,332.19	7,921.92
Profit/(loss) for the year	-	-	-	-
Other comprehensive income for the year, net of taxes	-	-	-	(601.33)
Others	-	49.50	-	-
Total comprehensive income for the year	-	49.50	-	(601.33)
Dividend (including tax on dividend)	-	-	-	-
Balance as at March 31, 2017	11,736.77	296.80	36,332.19	7,320.59
Balance as at April 1, 2017	11,736.77	296.80	36,332.19	7,320.59
Profit for the year	-	-	-	-
Other comprehensive income for the year, net of taxes	-	-	-	-
Others	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Dividend (including tax on dividend)	-	-	-	-
Balance as at March 31, 2018	11,736.77	296.80	36,332.19	7,320.59

See accompanying notes forming part of the financial statements

As per our report of even date

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671 S

P.V. Sri Hari

Partner

Membership No. 21961

Place: Hyderabad

Date: May 30, 2018

For and on behalf of the Board

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

S. Kalyani

Vice-President (Finance)

Pathan Apser Hussien

Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.01 Property, Plant and Equipment

Rs. in lakhs

PARTICULARS	Gross Block			Depreciation				Net Block	
	As on 01.04.2017	Additions	Deletions	As on 31.03.2018	As on 01.04.2017"	For the Year	On Deletions	As on 31.03.2018	As on 31.03.2017
A) Tangible Assets									
Land	1,868.84	-	-	1,868.84	-	-	-	1,868.84	1,868.84
Building	3,554.18	-	-	3,554.18	879.17	118.71	-	2,556.30	2,675.00
Plant & Machinery	1,85,235.39	-	-	1,85,235.39	33,306.31	9,246.73	-	1,42,682.35	1,51,929.08
Workshop Equipments	9.60	-	-	9.60	5.08	0.46	-	4.06	4.52
Weighing Machine	11.34	-	-	11.34	8.39	0.54	-	2.41	2.95
Electrical Installations	235.09	-	-	235.09	110.19	8.30	-	116.60	124.90
Furniture & Fixtures	70.19	-	-	70.19	55.76	2.12	-	12.31	14.43
Office Equipments	74.74	-	-	74.74	27.78	2.45	-	44.51	46.97
Vehicles	427.61	-	-	427.61	391.45	9.77	-	26.39	36.16
Computers	165.00	-	-	165.00	150.26	-	-	14.74	14.74
	1,91,651.98	-	-	1,91,651.98	34,934.39	9,389.08	-	1,47,328.51	1,56,717.59
Less: Revaluation Reserve	-	-	-	-	-	-	-	-	-
Total of Tangible Assets	1,91,651.98	-	-	1,91,651.98	34,934.39	9,389.08	-	1,47,328.51	1,56,717.59
B) Intangible Assets									
Computer Software	17.13	-	-	17.13	14.77	2.09	-	0.27	2.36
Total (A+B)	1,91,669.11	-	-	1,91,669.11	34,949.16	9,391.17	-	1,47,328.78	1,56,719.95

Notes:

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

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2018	2017
2.02 Non-Current Loans			
Loans and Advances to Subsidiaries		1,114.79	1,114.79
		1,114.79	1,114.79
2.03 Other non-current assets			
Other Loans & Advances		1,095.38	1,095.38
Total		1,095.38	1,095.38
2.04 Inventories			
(at lower of cost or net realizable value)			
Raw Materials		365.51	299.51
Work in Process		176.74	321.07
Finished Goods		588.19	1,038.44
Stores and Spares		586.00	688.11
Total		1,716.44	2,347.13
2.05 Trade Receivables			
a) Unsecured & Considered Good		1,72,529.32	2,06,065.53
b) Doubtful		40,873.70	6,863.99
Less: Provision for doubtful debts		40,873.70	6,863.99
Total		1,72,529.32	2,06,065.53
2.06 Cash and Cash Equivalents			
Cash on Hand		5.03	7.49
Bank Balances in Current Accounts		60.70	70.05
Deposits with banks		48.35	48.35
		114.08	125.89
Notes: Margin Money Deposits represents margin money kept with various banks for issue of Letter of Credits.			
2.07 Other Current Assets			
Advance for Expenses & Others		57.25	99.79
Advances to Suppliers & Others		24.99	3,085.30
Margin Money With Parties		40.18	419.74
Deposits with Govt Deposit (incl Excise, VAT)		1,266.05	1,409.35
Total		1,388.47	5,014.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.08 Equity Share Capital

Rupees in lakhs

(i) The authorised, issued, subscribed and fully paid-up share capital				
Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Rs.	No. of shares	Rs.
Authorised:				
Equity shares of ₹10 each with voting rights	79,00,00,000	79,000.00	79,00,00,000	79,000.00
1% Cumulative Redeemable Preference Shares of Rs.100/- each	21,00,00,000	2,10,000.00	21,00,00,000	2,10,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	5,65,44,552	5,654.46	5,65,44,552	5,654.46
1% Cumulative Redeemable Preference Shares of Rs.100/- each	1,26,83,229	126.83	1,26,83,229	126.83
Total	6,92,27,781	5,781.29	6,92,27,781	5,781.29

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

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

(ii) Details of shares held by each share holder holding more than 5% shares				
Name of shareholder	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 10 each with voting rights				
Yalamanchili Finance & Trading (P) Ltd	47,67,500	8.43	47,67,500	8.43
Sujana Holdings Limited	1,21,29,629	21.45	1,21,29,629	21.45
Foster Infin & Trading (P) Ltd	50,95,999	9.01	50,95,999	9.01
Total	2,19,93,128	38.90	2,19,93,128	38.90

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares				
Opening balance	5,65,44,552	5,654.46	5,65,44,552	5,654.46
Issued during the year	1,26,83,229	1,268.32	1,26,83,229	126.83
Closing balance	6,92,27,781	6,922.78	6,92,27,781	5,781.29

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2018	2017
2.09 Non-Current Borrowings			
Secured			
a) Term Loans from Banks (Refer to Note 1)			
i) Term Loan from Banks	-		60,998.79
ii) From other Parts	7,784.77		11,727.70
	<u>7,784.77</u>		<u>72,726.49</u>
Un-Secured			
Promoters Contribution as per CDR Schedule	13,336.54		13,366.91
Unsecured Loan Others	3,252.58		3,252.58
Deferred sales tax liability	304.67		304.67
Loans from Promoters and Promoter Group Companies	16,500.00		16,500.00
	<u>33,393.79</u>		<u>33,424.16</u>
Total	<u>41,178.56</u>		<u>1,06,150.65</u>
2.10 Provisions			
Non-current			
Employee Benefit obligation	204.27		204.27
	<u>204.27</u>		<u>204.27</u>
Current			
Other Provisions			
Employee Benefit obligation	49.41		49.41
Dividends & Dividend Tax on CRPS	16.64		16.64
Provision for Fringe Benefit Tax	10.70		10.70
Provision for Income Tax	5,527.80		5,527.80
	<u>5,604.55</u>		<u>5,604.55</u>
Total	<u>5,808.82</u>		<u>5,808.82</u>
2.11 Deferred Tax Liability / (Asset) (Net)			
Opening Balance	14,426.19		11,237.13
Add: Deferred Tax Assets in relation to			
(i) Difference in depreciation & amortisation for accounting and income tax purposes	2,348.81		3,255.89
(ii) Provision for employee benefits	(66.83)		(66.83)
(iii) Disallowance under Section 43B of Income Tax Act, 1961	-		-
Deferred Tax Liability / (Asset) (Net)	<u>16,708.17</u>		<u>14,426.19</u>
Other Long-Term Liabilities			
- Payable to Subsidiaries	-		-
- Payable to Others	-		-
Total	<u>-</u>		<u>-</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rupees in lakhs

		As at 31st March	
		2018	2017
2.12	Current Borrowings		
	Secured		
	From Consortium Banks	1,31,075.82	1,23,854.05
	From Other Banks	-	-
	Un-Secured		
	Deposits	-	-
	Total	1,31,075.82	1,23,854.05
2.13	Trade Payables		
	i) Acceptance (Refer to Note 1 & 2)	-	-
	ii) Trade Payables	48,015.93	47,850.70
	Total	48,015.93	47,850.70
2.14	Other Financial Liabilities		
	Current Maturities of Long Term Debt (Secured)	88,463.79	34,690.02
	Vehicle Loans	-	1.77
	Term Loans	8,711.61	7,948.68
	Advances from Customers	-	-
	Statutory Liabilities	161.00	268.01
	Total	97,336.40	42,908.48
2.15	Other Current Liabilities		
	Loans and advances from related parties	-	-
	Sundry Creditors for Services & Others	1,945.12	2,007.55
	Total	1,945.12	2,007.55
		Year ended 31st March 2018	Year ended 31st March 2017
2.16	Revenue from Operations		
	From Sale of Products (Gross)		
	- Domestic	7,344.03	24,871.58
	- Exports	-	-
	Total	7,344.03	24,871.58
2.17	Other Income		
	Interest Income	1.46	7.85
	Other Operating Income	-	7.65
	Total	1.46	15.50
2.18 (a)	Cost of Material Consumed		
	Opening Stock of Raw material	299.51	591.97
	Add: Purchases	5,216.61	2,732.40
		5,516.12	3,324.37
	Less: Closing Stock	365.51	299.51
	Total	5,150.61	3,024.86

NEUEON TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Purchases of Stock-in-Trade			
Opening stock	-	-	
Add: Purchases	846.69	19,776.83	
Add (Less:) Raw material received (transferred)	-	-	
	846.69	19,776.83	
Less: Closing stock	-	-	
Stock-in-Trade materials consumed	846.69	19,776.83	
2.19 Changes in Inventories			
a) Opening Stock			
Finished Goods	1,038.44	1,151.01	
Work-in-Progress	180.64	729.79	
	1,219.08	1,880.80	
b) Closing Stock			
Finished Goods	588.19	1,038.44	
Work-in-Progress	36.31	180.64	
	624.50	1,219.08	
(Increase) / Decrease (a - b)	594.58	661.72	
2.20 Employee Benefits Expense			
Salaries and Wages	363.72	454.51	
Contribution to Provident and Other Funds	21.72	27.91	
Directors remuneration	-	-	
Total	385.44	482.42	
2.21 Finance Costs			
Interest on working capital loans	-	12,645.77	
Interest Expenses on Term Loans	-	15,233.90	
Other borrowing costs	39.29	1,371.99	
Total	39.29	29,251.66	
2.22 Other Expenses			
Consumption of stores, loose tools and spare parts	557.16	584.96	
Power and fuel	157.31	217.60	
Repairs and maintenance:	4.91	10.34	
Rates and taxes, excluding, taxes on income	7.21	44.67	
Insurance	11.75	12.71	
Traveling and conveyance	24.13	16.71	
Communication	2.45	5.79	
Contract labor charges (security charges)	29.85	57.42	
Legal and professional fees	34.55	78.36	
Auditor Remuneration	5.00	24.70	
Sales promotion and advertisement	3.12	11.53	
Provision for Bad Debts	34,009.72	6,626.61	
Printing and stationery	1.52	4.05	
Sitting Fees	1.88	2.51	
Miscellaneous expenses	0.05	1.24	
Total	34,850.61	7,699.20	

NEUEON TOWERS LIMITED

(Formerly known as Sujana Towers Limited)

Regd. Office: Sy. No. 321, Turkala Khanapur Village, Hatnur Manda, Sanga Reddy Dist - 502 296.

CIN : L40109TG2006PLC049743**11th Annual General Meeting – Saturday, 29th September, 2018****ATTENDANCE SLIP**

I, hereby record my presence at the 11th Annual General Meeting of the Company to be held on Saturday, September 29th 2018 at Sy.No.321, Turkala Khanapur Village, Hatnur Mandal, Sangareddy Dist-502296. at 04.00 P.M.

Folio No. / DP ID-Client ID:.....

Full Name of the Shareholder in Block Letters:.....

No. of Shares held:.....

Name of Proxy (if any) in Block Letters:.....

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

EVEN	User ID	Password
109952		

NEUEON TOWERS LIMITED

(Formerly known as Sujana Towers Limited)

Regd. Office: Sy. No. 321, Turkala Khanapur Village, Hatnur Manda, Sanga Reddy Dist - 502 296.

CIN : L40109TG2006PLC049743**PROXY FORM****11th Annual General Meeting – Saturday, 29th September, 2018**

Name of the Member(s):	E-Mail Id:
Registered Address:	
Folio No./Client Id:	DP Id:

I/We, being the member (s) of shares of the above named company, hereby appoint:

Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on the Saturday, September 29th , 2018 at 04.00 PM at Sy.No.321, Turkala Khanapur Village, Hatnur Mandal, Sangareddy Dist-502296.and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements for the year ended 31st March, 2018.
2.	Re-appointment of Shri S Hanumantha Rao, who retires by rotation.
Special Business	
3.	To consider and re-appoint Shri G. Srinivasa Raju, as Managing Director & Key Managerial Person of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s).
4.	To recommend the appointment of Ms. G. Umadevi as an Independent Non-Executive Director of the Company for a term upto 5 years under Section 149 of the Companies Act, 2013)
5.	To continue the Directorship of Shri M V Bhaskara Rao, as Independent Director of the Company upto 29.09.2019.
6.	To consider, approve the resolution under Section 180 (1) (a) of the Companies Act, 2013 for selling, leasing otherwise disposing off the assets of the Company
7.	Ratification of remuneration of the Cost Auditor of the Company.

Signed this day of September 2018.

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 11th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

Form No. MGT-12**POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Neueon Towers Limited
CIN : L40109TG2006PLC049743

BALLOT PAPER

S.No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Resolution	No. of shares held by me	I assent to the	I dissent from the
Ordinary Business				
1.	Adoption of the standalone and consolidate financial statements of the Company for the financial year ended 31st March, 2018.			
2.	Re-appointment of Shri S Hanumantha Rao, who retires by rotation.			
Special Business				
3.	To ratify the remuneration of the cost auditors for the financial year ending 31st March, 2019			
4.	To consider and re-appoint Shri G. Srinivasa Raju, as Managing Director & Key Managerial Person of the Company			
5.	To recommend the appointment of Smt G Umadevi as an Independent Non-Executive Director of the Company for a term 5 years under section 149 of the Companies Act, 2013			
6.	To continue the Directorship of Shri M V Bhaskara Rao, as Independent Director of the Company upto 29.09.2019			
7.	To consider, approve the resolution under Section 180 (1) (a) of the Companies Act, 2013 for selling, leasing otherwise disposing off the assets of the Company			

Place:

Date:

(Signature of the shareholder)

INSTRUCTIONS

- This Ballot paper is for the members who have not voted through e-voting facility. A member can opt for only one mode of voting i.e., either through e-voting or by Ballot paper. If a Member casts votes in both the modes, then vote cast through e-voting shall prevail and Ballot paper shall be treated as invalid.
- The vote should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Ballot paper bearing tick marks in both the columns will be treated as invalid. Please do not use pencil.
- This form should be completed and signed by the Member/Proxy Holder as per the specimen signatures registered with the Company/Depository. In case of joint holding this form should be completed and signed by the first named member.
- Any cutting/overwriting on this Ballot paper should be signed by the shareholder/proxy holder.
- Unsigned, incomplete, improperly or incorrectly tick marked Ballot papers will be rejected. A Ballot paper will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or as to whether the votes are in favour or against or if the signature cannot be verified.
- The decision of Scrutinizer on the validity of the Ballot paper and any other related matter shall be final.
- The Scrutinizer will collate the votes downloaded from the e-voting system and votes cast through Ballot paper to declare the final result for each of the Resolutions enumerated above.
- The Results shall be declared on or after the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.sujana.com and on the website of www.bighshareonline.com within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

INTENTIONALLY KEPT BLANK

PRINTED MATTER

By Registered Post / Speed Post / Courier

If undelivered, please return to :

NEUEON TOWERS LIMITED

(Formerly known as Sujana Towers Limited)

Registered Office:

Survey No. 321, Turkala Khanapur Village, Hatnur Mandal,
Medak District, Hyderabad - 502 201, Telangana.