



CELEBRATING
25
years
1986-2011

5th
ANNUAL
REPORT
2011 - 2012

Sujana Towers Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN	:	Shri Y.S. Chowdary
MANAGING DIRECTOR	:	Shri Y. Kamesh
DIRECTORS	:	Shri G. Srinivasa Raju Shri S. Hanumantha Rao Shri K.S. Purohit* Shri A.S. Anand Kumar* Shri M.V. Bhaskara Rao* Shri L.V. Rao* Shri A. Ratanpal, IDBI Nominee *Independent and Non-Executive Directors

AUDIT COMMITTEE

:	Shri A.S. Anand Kumar Shri K.S. Purohit Shri M.V. Bhaskara Rao Shri L.V. Rao Shri S. Hanumantha Rao
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MANAGEMENT COMMITTEE

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

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

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

:	Shri A.S. Anand Kumar Shri K.S. Purohit Shri S. Hanumantha Rao
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CHIEF FINANCIAL OFFICER

:	Shri N.C. Krishna
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COMPANY SECRETARY

:	Shri L. Narasimha Rao
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STATUTORY AUDITORS

:	M/s. R. Subramanian and Company Chartered Accountants No. 6 (36), Krishnaswamy Avenue Luz, Chennai - 600 004
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COST AUDITORS	:	M/s Nageswara Rao & Co. Cost Accountants, Secunderabad
BANKERS	:	IDBI Bank Limited Karnataka Bank Limited UCO Bank SBI Factors and Commercial Services (P) Limited Central Bank of India Andhra Bank Punjab National Bank Exim Bank Limited
FINANCIAL INSTITUTIONS	:	Sicom Limited L&T Infrastructure & Finance Co. Ltd.
REGISTERED OFFICE	:	Plot No.41, Nagarjuna Hills, Panjagutta Hyderabad - 500 082
WORKS	:	(i) Plot No. 128/A, I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (ii) Plot No. 10, 11 and 12, Sy. No.172 I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (iii) Plot No. 9, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (iv) Plot No.159 B & C, Sy. No.172/A I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (v) Sy. No. 321 Turkala Khanapur Village - 502 201 Hatnur Mandal, Medak Dist. A.P.
LISTING	:	Equity Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1 G Block Bandra-kurla Complex Bandra (E), Mumbai - 400 051 Global Depositary Receipts (GDRs) Luxembourg Stock Exchange Societe de la Bourse de Luxembourg B.P. 165, L - 2011, Luxembourg
REGISTRAR & SHARE TRANSFER AGENTS	:	M/s. Bigshare Services (P) Limited 306, 3rd Floor, Right Wing, Amrutha Ville Opp: Yashoda Hospital, Raj Bhavan Road Somajiguda Hyderabad - 500 082 Tel : +91-40-23374967

NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the members of the Company will be held on Saturday, the 22nd day of September, 2012 at “Kohinoor”, Taj Deccan, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31st March, 2012 and the statement of profit and loss for the period ended 31st March, 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. Hanumantha Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri L.V. Rao, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT M/s Venugopal & Chenoy, Chartered Accountants, Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the members of the Company, on such remuneration as may be fixed by the Board of Directors, in place of M/s R. Subramanian & Company, Chartered Accountants, Chennai”.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution.**
“RESOLVED that, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government,

if necessary, Shri Y. Kamesh, Managing Director of the Company be and is hereby reappointed as Managing Director of the Company for a further period of 3 (three) years w.e.f. 28.05.2012, until otherwise decided”.

“RESOLVED FURTHER that, Shri Y. Kamesh, be and is hereby entitled for the following remuneration, (which is the existing remuneration, without any increase):

1. Rs.36.00 lakhs per annum payable on a monthly basis.
2. He is also entitled for stock options worth Rs.36.00 lakhs per annum as per terms and conditions of a ESOPs Scheme when introduced by the Company”.

The prerequisites are classified into three categories (A), (B) & (C) as follows:

Category (A)

(1) Housing

- a) The expenditure by the Company on hiring unfurnished accommodation for the MD will be subject to ceiling of fifty percent of the salary, over and above ten percent payable by the MD.
- b) In case the accommodation is owned by the Company, ten percent of the Salary of the MD shall be deducted by the Company.
- c) In case no accommodation is provided by the Company, the MD shall be entitled to house rent allowance subject to the ceilings laid down in (a) above.

Explanation: The expenditure incurred by the Company on Gas, Electricity, Water and furnishings shall be valued as per the Income – Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Managing Director.

(2) Medical Reimbursement

Payment/reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years or as is provided by

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the Company's group medical insurance policy.

(3) Leave Travel Concession

For self and family once in a year incurred in accordance with the rules of the Company.

(4) Club Fees

Fees of Clubs, subject to a maximum of two clubs in India excluding admission and life membership fees.

(5) Personal Accident Insurance

As per the Company's Group Insurance Policy.

(6) Insurance Coverage

The Company shall obtain Director's Liability Insurance coverage in respect of any legal action that might be instituted against the MD of the Company.

Category (B)

(1) Company's Contribution To Provident Fund, Sperannuation Fund and Gratuity.

- i) All the above shall be as per the provisions of the respective Acts.
- ii) Earned Leave: On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every Eleven Months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iii) Gratuity : 15 days' salary for every completed year of service.

Category (C)

Provision of a luxury car with driver for use of Company's Business, Mobile Phone, Internet/Data Connection and or any other communication facility at his residence shall be provided (or re-imbursed) and shall not be considered as perquisites. Personal long distance calls on Telephone and use of the car for private purposes, if any, shall be billed by the Company to the MD. Two security

personnel shall be provided at the residence of the MD.

The MD shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committee thereof.

In the event of cash loss in any financial year, the MD shall not be paid remuneration by way of salary, but the perquisites and other amenities as stated above shall continue.

Explanations

1. The Company's contribution to provident fund, pension/superannuation or annuity funds to the extent these either singly or put together are not taxable under the Income Tax Act and gratuity payable and encashment of leave at the end of the tenure as per the rules of the Company shall not be included in the computation of limits for the remuneration, which includes salary, perquisites and allowances.
2. For the purposes of Gratuity, pension (if applicable), ESOP/ESPS and other benefits, the services of Mr. Y. Kamesh will be considered continuous service with the Company from the date he joined the service of the Company in any capacity from time to time.
3. The Company shall reimburse travelling, entertainment and other business promotion expenses actually and properly incurred by Mr. Y. Kamesh in the course of the business of the Company in accordance with rules and regulations in force from time to time and as applicable to the top management cadre of the Company or as may be approved by the Board. Expenses relating to spouse accompanying on any official domestic or overseas trip or other facilities, if any, shall be dealt with in accordance with the policies of the Company from time to time.
4. In addition of his present employment as the MD of the Company, if Mr. Y. Kamesh is appointed as MD of any other group Company in accordance with the Sch.XIII of the Companies Act,

1956, the total remuneration from both the Companies shall not exceed the maximum permissible limit as specified there under.

“RESOLVED FURTHER that Shri. S. Hanumantha Rao, Director and Shri L. Narasimha Rao, Company Secretary of the Company be and are hereby severally authorized to file necessary forms with the Register of Companies (ROC), to complete all the formalities and compliances and to do all such acts, deeds and things as may be necessary in this regard.”

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

“RESOLVED that, in addition to the earlier resolution passed by the Company and pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of Public Financial Institutions, and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company and/or duly authorized Committee thereof for the time being exercising the powers conferred by the Board (hereinafter referred to as the “Board”), the consent of the Company be and is hereby accorded to the Board to make any loan to and/or to give any guarantee to and/or to provide security, in connection with a loan made by any other person to or to other person by and/or to acquire, by way of subscription, purchase or otherwise the securities, of M/s Sujana Universal Industries Limited, Hyderabad and M/s Sujana Metal Products Ltd., Hyderabad, (being our Group Companies) upto an amount an amount of Rs.500 Crores (Rupees Five Hundred Crores only) each, which exceeds sixty percent of

the aggregate of the paid-up capital of the Company and its free reserves or hundred percent of the free reserves, whichever is more, but the loans to be made and/or the guarantees to be given or the security to be provided and/or the investment to be made together with the existing loans made and/or the guarantees given or security provided and/or investment already made, shall not exceed the amount as specified at any point of time.”

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

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

“RESOLVED that, pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors/Management Committee of the Board of Directors of the Company be and is hereby authorized to transfer by way of slump sale, business sale on “ongoing concern basis” or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/ Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries or to any other body corporate whether registered in India or elsewhere”.

“RESOLVED FURTHER that, for the purpose of giving effect to this resolution, the Board/

Management Committee be and is hereby authorized to determine the terms and conditions including consideration, mode of transfer and to do all such acts, deeds, matters and things, as it may, in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard thereto”.

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

“RESOLVED that, pursuant to the provisions of Section 17, 146, 192A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and rules and regulations made there under including any statutory modification or re-enactment thereof for the time being in force and subject to confirmation of the Company Law Board delegated to Regional Director (vide Notification No. S.O.1539(E) dated July 10, 2012 issued by Ministry of Corporate Affairs) and such other approvals, consents, permissions and sanctions as may be necessary, the consent of the Company be and is hereby accorded to Shift the Registered Office of the Company from 8-2-248/1/7/41, Nagarjuna Hills, Panjagutta, Hyderabad-500 082, Andhra Pradesh to Nijapadam, No.6/9, Damodaran Street, (Opp: Spur Tank Road, Near Old RTO Office), Chetpet, Chennai - 600 031, Tamilnadu”.

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

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

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

“RESOLVED FURTHER that, for the purpose

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

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

“RESOLVED that, pursuant to the provisions of Section 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the relevant provisions of Memorandum and Articles of Association of the Company, the authorized share capital of the Company, Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 94,00,00,000 (Ninety Four Crores only) Equity Shares of Re.1/- (Rupee One only) each and 6,00,000 (Six Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each be and is hereby reclassified into 79,00,00,000 (Seventy Nine Crores only) Equity Shares of Re.1/- (Rupee One only) each and 21,00,000 (Twenty One Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each aggregating to Rs.100,00,00,000/- (Rupees One Hundred Crores only) and accordingly, the Memorandum of Association of the Company be and is hereby altered as follows”.

“RESOLVED FURTHER that, the Clause V of the Memorandum of Association of the Company be altered as follows”:

“The Authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 79,00,00,000 (Seventy Nine Crores only) Equity Shares of

Re.1/- (Rupee One only) each and 21,00,000 (Twenty One Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each.”

“RESOLVED FURTHER that, for the purpose of giving effect to this resolution, the Board/ Management Committee be and is hereby authorized to do all such acts, deeds and things as may be considered expedient”.

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

“RESOLVED that, pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the existing Article No. 3 of the Articles of Association of the Company be and is hereby altered by substituting in its place the following as the new Article 3”:

The Authorised Share Capital of the Company is same as mentioned in Clause V of the Memorandum of Association of the Company.

“RESOLVED FURTHER that, for the purpose of giving effect to this resolution, the Board/ Management Committee be and is hereby authorized to do all such acts, deeds and things as may be considered expedient”.

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

“RESOLVED that, pursuant to the provisions of section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into with the stock exchanges by the Company, where the shares of the Company being listed and subject to the consent of all concerned authorities, if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary, and/or subject to such terms

and conditions which may be agreed to by the Board of Directors of the Company, including existing Management Committee of the Board of Directors delegated or as may be delegated with its powers including the powers conferred by this Resolution (hereinafter referred to as the Board), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 10,00,000 (Ten Lakhs only) Cumulative Redeemable Preference Shares (“CRPS”) of the face value of Rs. 100/- (Rupees One Hundred only) each, to be subscribed, by any person/ persons, whether or not shareholders of the Company (including one or more of the Members, Promoters, Financial Institutions, Banks, Mutual Funds, Foreign Investors, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Multilateral Agencies, Venture Capital Fund, Foreign Financial Institutions, Bodies Corporate, Companies, Private or Public and other entities), whether through public issue, rights issue, private placement or otherwise, in one or more tranches and on such terms and conditions (including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matters incidental thereto) as the Board in it’s absolute discretion decide”.

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

“RESOLVED FURTHER that, the Board may delegate all or any of the powers conferred herein to any Directors or Company Secretary or any Officer of the Company to do all such

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acts, deeds, matters and things as also to execute such documents, writings etc., as may be considered necessary for the said issue”.

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

“RESOLVED that, pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the members of the Company be and is hereby accorded to the Board of Directors/Management Committee of the Board of Directors of the Company, as they may deem fit from time to time, for commencement of all or any of the business as per the other object, contained in Sub-clause 1 of Clause III(C) of the Memorandum of Association of the Company and the said Clause is as below:

‘To carry on the business of Civil Engineers, Contractors and Architects”.

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

By order of the Board

Place : Hyderabad
Date : 11.08.2012

Y. Kamesh
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY FILLED, STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. The Share transfer books and Register of Members of the Company will remain closed on 20th September, 2012 (one day only).
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
5. The registration of share transfers and other related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
6. The shareholders/members of the Company, who are having equity shares of the Company in physical form are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders/members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.

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

- a. There is no scope of any risk of loss, theft, damage or fraud and bad deliveries are eliminated;
 - b. Shareholders no longer have to wait for the shares transferred in his name. Delay is almost eliminated;
 - c. This system totally eliminates risks associated with loss/fraudulent interception of share certificates in postal transit;
 - d. In the physical mode, shares may only be sold and bought at marketable lot. No such hassle is experienced in the demat mode;
 - e. Genuineness is always guaranteed in the demat mode.
7. The resolution in item nos. 6, 7 and 8 are proposed to be passed by the members by way of exercising the voting by them by postal ballot, for which postal ballot form along with instructions and the calendar of events can be found on Page Nos. 93 & 94.
8. The Ministry of Corporate Affairs (MCA) has taken an initiative in respect of 'Green Initiative in the Corporate Governance' by allowing the Companies to send the notices/documents including annual reports to the members through electronic mode by giving an advance opportunity to the members for registering their e-mail addresses with the Company/ Depository from time to time for receiving the same. In this connection, the members are requested to register their e mail addresses by sending an e-mail with the following details to 'csstl@sujana.com' or by visiting our website 'www.sujana.com' or register the same with the Company's Registrar and Share Transfer Agents "Bigshare Services Private Limited".

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

9. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.

ANNEXURE TO THE NOTICE

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

Item No. 5

Shri Y. Kamesh was appointed as Managing Director of the Company for a period of 3 years with effect from 29.07.2009 by the Board of Directors of the Company at their meeting held on 29.07.2009 and the same was approved by the members of the Company at the Extraordinary General Meeting held on 24.10.2009.

Keeping in view the performance and commitment shown by Shri Y. Kamesh, Managing Director, it is felt that the services of Shri Y. Kamesh are very much useful for the Company and accordingly he was reappointed for a period of 3 years w.e.f. 28.05.2012 by the Board at their meeting held on 28.05.2012 on same terms and conditions and remuneration, subject to the approval of the Central Government, if necessary and members of the Company. In accordance with the provisions as mentioned in the resolution, approval of the shareholders is required for the re-appointment of Managing Director and payment of remuneration.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri Y. Kamesh, is concerned or interested in the aforesaid resolution.

Item No. 6

The Company proposed to make investment and/or to give any guarantee and/or to provide security to its Group Companies viz., M/s Sujana Universal Industries Limited, Hyderabad and M/s Sujana Metal Products Limited, Hyderabad.

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

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percent of its free reserves, whichever is more and to invest beyond the said limit, prior approval of the members is required.

Keeping in view, it is proposed to obtain the approval from the members of the Company, as the proposed investment in both the Companies amounts to Rs. 1000 Crores (Rupees One Thousand Crores only), (i.e., Rs. 500 Crores each), which is beyond the permissible limits as specified in Section 372A of the Companies Act 1956.

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

Therefore, your Directors recommend the resolution for your approval.

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

Item No. 7

In order to carry out international business more effectively, as several opportunities are emerging in that direction, it is now proposed to transfer by way of slump sale, business sale on "on going concern basis" or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/ Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries or to any other body corporate whether registered in India or elsewhere.

Section 293(1) (a) of the Companies Act, 1956 provides inter alia that the Board of Directors of Public Company shall not, without the consent of the members of the Company, lease or transfer the whole or substantially the whole of the undertaking of the Company

or where the Company owns more than one undertaking, the whole or substantially whole of any such undertakings.

The members are requested to authorise the Board/Management Committee with the requisite authority under section 293(1) (a) of the Companies Act, 1956, to lease or transfer the whole or substantially the whole of the undertaking of the Company.

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

Therefore, your Directors recommend the resolution for your approval.

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

Item No. 8

Members are aware that the Registered office of the Company is situated at 8-2-248/1/7/41, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082, Andhra Pradesh. However, the registered office of the Company is proposed to be shifted to Chennai, Tamilnadu state to (i) carry on the business more economically and more efficiently and to change the local area of operations of the Company, (ii) further strengthen the business growth, (iii) increase the business operations by getting more projects of public, private and government, (iv) grab more business opportunities and increase the scale of operations, which altogether enhance the shareholders' value by way of improved financial structures, cash flows. The shifting of registered office to Chennai is also more economical, convenient, comfortable, advantageous and beneficial in view of (a) the growth in business operations of the Company and to register the Companies present in the southern states, (b) the increased demand for the products of the Company in southern states, will enable the Company to improve its market shares,

thereby achieving larger volumes of sales and profits, (c) to achieve high degree of customer and shareholder satisfaction, by rendering prompt and effective after sales services to the customers and providing information to shareholders as may be required, (d) more convenient and friendly state government policies towards steel industry and (e) availability of skilled resources.

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

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

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

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

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company is, in

any way, concerned or interested in the said resolution.

Item No. 9 and 10

The existing Authorised Capital of the Company is Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 94,00,00,000 (Ninety Four Crores only) Equity Shares of Re.1/- (Rupee One only) each and 6,00,000 (Six Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each. In order to meet the long term fund requirements of the Company and to provide for the Company's working capital needs and also to meet backward integration plans of the Company, it is proposed to raise necessary funds by issuing Cumulative Redeemable Preference Shares (CRPS). In order to facilitate the issue of the aforesaid preference shares, it is necessary to re-structure and reclassify the existing Authorised Share Capital of the Company.

Your Board of Directors are of the view that, instead of increasing the Authorized Share Capital of the Company, it is prudent to reclassify part of the existing Equity Share Capital into Preference Share Capital of the Company as Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 79,00,00,000 (Seventy Nine Crores only) Equity Shares of Re.1/- (Rupee One only) each and 21,00,000 (Twenty One Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each, without any increase in the existing Authorised Share Capital of the Company.

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

The Board recommends the resolutions set forth in Item Nos. 9 and 10, for approval of the members.

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

SUJANA TOWERS LIMITED

Item No. 11

With a view to infuse additional funds to meet the long term fund requirements of the Company and to provide funds for the Company's working capital needs and also to meet backward integration plans of the Company, it is proposed to issue and allot upto 10,00,000 (Ten Lakhs only) Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- (Rupees One Hundred only) each in one or more tranches to the Promoters and/or Non-Promoters on such terms and conditions as may be approved by the Board or duly authorized Committee thereof

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

Therefore, your Directors recommend the resolution for your approval.

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

Item No: 12

At present the Company is carrying the business of manufacturing, producing, assembling, fabricating, erecting, buying, selling, importing, exporting and to act as structural engineer, franchiser, supplier or otherwise to deal in all shapes, sizes, strengths, dimensions, descriptions, specifications and grades of iron & steel structures, transmission towers, television towers, electrical transmission towers, power stations & lines and to do all acts and things incidental for the attainment of the above object.

In addition to the above business and to expand the business operations of the Company, it is proposed to undertake Civil works viz., laying roads, construction of bridges, flyovers and other civil engineering activities, keeping in view the ample opportunities available in the civil engineering area. Having regard to the various aspects involved, it is considered that,

the proposed business is capable of being conveniently and advantageously combined with the business presently carried on, by the Company.

As per Section 149(2A) of the Companies Act, 1956, the approval of the shareholders of the Company is required to carry on the business as per the objects contained in the other objects clause of the Memorandum of Association of the Company.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors is concerned or interested in the aforesaid resolution.

By order of the Board

Place : Hyderabad
Date : 11.08.2012

Y. Kamesh
Managing Director

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

Name of the Director	Shri S. Hanumantha Rao	Shri L.V. Rao
Date of Birth	18.07.1951	18.09.1947
Date of Appointment	06.04.2006	29.07.2009
Qualification	Bachelors Degree in Technology and AICWA.	Bachelor of Engineering (Electrical).
Expertise in specific functional area	He is a Promoter and Non-Executive Director of the Company. Worked for more than 20 years in State Bank of India and 3 years as Financial and Management Consultant.	He is an Independent and Non-Executive Director. Held various positions in NTPC for three decades, including those of ED, South, ED, West, CEO of NTPC Power Trading Corporation and also as the ED of the APDERP program.
Directorship in other Indian Public Limited Companies as on 31.03.2012	<ol style="list-style-type: none"> 1. Sujana Metal Products Limited 2. Sujana Universal Industries Limited 3. Sujana Projects Limited 4. Sujana Holdings Limited 5. Sujana Energy Limited 6. Sujana Power (India) Limited 7. Sujana Power (Gangikondan) Limited 8. Sujana Power (Tuticorin) Limited 9. Telesuprecon Limited, Mauritius 10. Sujana Holdings Limited, Dubai 11. STL Africa Limited, Mauritius 	<ol style="list-style-type: none"> 1. Yuvaraj Power Projects Limited 2. Bee Pee Power Limited 3. Raus Power Limited
Chairman/Membership of Committees in other Indian Public Limited Companies as on 31.03.2012 (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee) (C= Chairman, M=Member)	<p>Audit committee</p> <ol style="list-style-type: none"> 1. Sujana Universal Industries Limited (M) 2. Sujana Metal Products Ltd (M) <p>Investor's Grievance Committee Sujana Metal Products Ltd (M)</p>	Nil
No. of shares held in the Company	70000 (0.01%)	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the Fifth Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2012.

1. Company's Performance

Your Directors hereby report that the Company has achieved a turnover of Rs. 203425.14 lakhs upto 31.03.2012 consisting of Twelve (12) months, as against the turnover of Rs. 174912.69 lakhs during the previous financial period ended 31.03.2011 consisting of Eighteen (18) months.

The highlights of the financial results are as follows:

(Rupees in lakhs)

<i>Particulars</i>	<i>Financial Year ended 31st March, 2012 consisting of 12 months (From 01-04-2011 to 31-03-2012)</i>	<i>Financial Period ended 31st March, 2011 consisting of 18 months (From 01-10-2009 to 31-03-2011)</i>
Profit before Depreciation and Interest	24,920.82	24,025.51
Interest	13,224.17	9,953.81
Depreciation	1,952.74	2,679.11
Profit before tax	9,743.90	11,392.59
Provision for	-	
- Current tax	2,610.23	3,244.83
- Deferred tax	1,025.91	287.51
Profit after tax	6,107.77	7,860.61
Dividend on CRPS	3.47	5.21
Profit carried to Balance Sheet	6,104.30	7,855.40

2. Review of Operations

The Company achieved a turnover of Rs.203425.14 lakhs and earned profit after tax of Rs.6107.77 lakhs. The Gross Block as on 31.03.2012 stood at Rs. 48688.21 lakhs and the Net Block as on 31.03.2012 stood at Rs.38656.82 Lakhs.

3. Subsidiaries of the Company

a. Digitech Business Systems Limited

The operations of M/s. Digitech Business Systems Limited have progressed in a small way. It earned revenue of Rs.11937.11 lakhs.

b. Telesuprecon Limited

M/s Telesuprecon Limited has branches in three countries, providing telecom infrastructure services to Telecom operators.

The telecom business in Africa has slowed down and many contracts were kept pending due to market conditions. The business is showing signs of positive growth and the contracts are being revived.

c. STL Africa Limited

STL Africa Limited, has achieved a turnover of Rs. 18901.17 Lakhs, and earned a profit of Rs. 4936.11 lakhs. The Company is concentrating to expand the business in the area of EPC Contract Segment.

d. Sujana Transmissions Limited

During the year under review, Sujana Transmissions Limited has been closed under Fast Track as per the Scheme introduced by the Ministry of Corporate Affairs, New Delhi.

4. Consolidated Financial Statements

Your Company has availed the general exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiary Companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956, to the Balance Sheet of your Company. The said exemption is granted vide circular issued by Ministry of Corporate Affairs dated 08.02.2011.

Accordingly, the said documents of subsidiary Companies are not being attached with the Balance sheet of the Company. A gist of

the financial performance of the subsidiary Companies is contained in the report. The annual accounts of the subsidiary Companies are open for inspection by any member/ investor at the Company's registered office and the Company will make available these documents and the related detailed information upon request by any investor of the Company or any investor of its subsidiary Companies who may be interested in obtaining the same. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is annexed to this Report.

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

5. Industrial Relations

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

6. Future Plans

The Company is making all efforts to enhance the share of the market of both telecom and transmissions sector on its own as well as through its subsidiary Companies viz., M/s. Digitech Business Systems Limited, Hong Kong, M/s. Telesuprecon Limited, Mauritius and M/s STL Africa Limited, Mauritius. The present trend in the market and the opportunities available in market are analytically narrated elsewhere in this report.

7. Prospects

Indian GDP is estimated at 7.6% in F.Y. 2012-13 as per Prime Minister's Economic Advisory Council (PMEAC). Indian steel demand is also expected to track GDP growth supported by easing interest rate cycle and resultant revival in infrastructure, construction, industrial and manufacturing sectors. Prediction of good monsoon in the current year, declining commodity prices globally, lower interest

rates are positive to spur economic activity in the country. Notwithstanding, fragile recovery in US, sovereign debt crisis in Europe and slow down in china, domestic demand/ consumption is one of the primary drivers of Indian Economy, to be optimistic to show a GDP growth of above 7%.

8. Directors

Shri S. Hanumantha Rao and Shri L.V. Rao, Directors of the Company, are liable to retire by rotation in the ensuing Annual General Meeting of the Members of the Company and being eligible offers themselves for re-appointment. During the year under review Shri S. Venkatachalam, Director resigned from the Board of Directors of the Company and the same was approved by the Board at their meeting held on 14.11.2011.

Shri K. Raghavaiah has submitted his Resignation and the same was approved by the Board at their meeting held on 28.05.2012

Shri Y. Kamesh was reappointed by the Board at their meeting held on 28.05.2012, subject to the approval of the members of the Company.

9. Directors' Responsibility Statement

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of

the Company and for preventing and detecting fraud and other irregularities;

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

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

There are no material changes and commitments which can affect the financial position of the Company, occurred between the end of the financial year of the Company and the date of this report, which are to be disclosed under Section 271(1)(d) of the Companies Act, 1956.

11. Code of conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the Company's website. Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year 2011-12. A separate declaration to this effect is made out in the Corporate Governance Report.

12. Statutory Auditors

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

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

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

13. Personnel

There are no such employees in the Company, who are drawing remuneration more than Rs.6 lakhs per month during the financial year under review in accordance with Section 217(2A) of the Companies Act, 1956.

14. Human Resource Management

One of the key resources of Company is its employees. Your Company has been able to create a favorable work environment that encourages innovation and meritocracy. Your Company has put in place a scalable recruitment and human resource management systems.

The efforts of your Company in the area of employee management and HR practices have been proved effective in Human Resource Management.

The number of employees as on 31.03.2012 is 253.

15. Quality

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

16. Insurance

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

17. Listing of Company's Securities

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

18. Dematerialization of Shares

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

19. Fixed Deposits

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

20. Cost Auditors

In pursuance of Section 233B of the Companies Act, 1956 read with Circular No. 52/26/CAB-2010 the Company has appointed M/s Nageswara Rao & Company, Cost Accountants, Secunderabad as the Cost Auditors for conducting audit of Cost Accounting Records in respect of steel products manufactured by the Company for the year 2011-12. The approval of the Central Government for the appointment has been received. The Company has reappointed them as Cost Auditors for the financial year 2012- 2013.

Cost accounting records for the year ended 31st March, 2012 were maintained as per the Companies (Cost Audit Report) Rules, 2011. The Cost Auditors shall submit the report along with their observations and suggestions, and Annexure to the Central Government within stipulated time period.

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

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

22. Corporate Governance

A detailed report on Corporate Governance has been included separately and forms part of this Report.

23. Explanations to observations made in Annexure to Auditors' Report

(i) Explanation to Point No. ix

The Company is taking steps to pay all the dues in respect of income tax, TDS, WCT and Dividend Distribution Tax, in a phased manner. The claims of the authorities have been referred to experts, for their opinion and counsel. The Company will ensure payment of all statutory dues in the course of next financial year.

(ii) Explanation to Point No. xi

The Company also owes Rs. 28.47 Crores to M/s L& T Infrastructure and Finance Company Ltd and M/s. SICOM. The entire accounts reconciliation is going on as on date of this report and we are awaiting the outcome of the reconciliation and discussions we have had with above Financial Institutions. Company is exploring the possibilities of squaring up the account dues, by assigning a portion of Cash Flows.

24. Management Discussion and Analysis Report

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

25. Acknowledgements

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

By order of the Board

S. Hanumanth Rao
Director

Y. Kamesh
Managing Director

Place : Hyderabad
Date : 11.08.2012

Annexure to the Directors' Report

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

Name of the Employee	Age	Designation	Remuneration Received (Rs in Lakhs)	Qualifications	Experience (In Years)	Date of Commencement of Employment	Last employment held
NIL							

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

Serial No.	Particulars	Digitech Business Systems Limited	STL Africa Limited	Telesuprecon Limited
1.	Financial Year of the Company	31.03.2012	31.03.2012	31.03.2012
2.	(a) Number of Shares held by the Company at the end of the financial year of the Subsidiary Company	233204400	116	510
	(b) Extent of interest of holding Company at the end of the financial year of the Subsidiary Company	100%	100%	51%
3.	Net aggregate amount of profit/losses of the subsidiary for the above financial year of the subsidiary not dealt within the Company's Accounts			
	(a) for the financial year of the subsidiary – Profit/ (Loss)	70.26	4936.11	554.25
	(b) For the previous financial years since it became subsidiary	24.24	4773.18	(3355.47)
4.	Net aggregate amount of profit/losses of the subsidiary for the above financial year of the subsidiary dealt within the Company's Accounts			
	(a) for the financial year of the subsidiary – Profit / Loss	---	---	---
	(b) For the previous financial years since it became subsidiary	---	---	---

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

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

(Rs.in Lakhs)

Name of the Subsidiary	Share capital	Reserves	Total Liabilities	Total Assets	Investment Included in total assets (Except for investment in subsidiaries)	Turnover	Profit before taxes	Provision for taxation	Profit after taxes	Proposed Dividend
Digitech Business Systems Limited	15209.11	104.79	24196.71	24196.71	-	11937.11	84.14	13.88	70.26	-
STL Africa Limited	0.06	10506.95	32842.30	32842.30	-	18901.17	4936.11	-	4936.11	-
Telesuprecon Limited	0.51	(4867.21)	2896.56	2896.56	-	223.62	554.25	-	554.25	-

By order of the Board

Place: Hyderabad
Date: 11.08.2012

S. Hanumanth Rao
Director

Y. Kamesh
Managing Director

ANNEXURE – 1

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

CONSERVATION OF ENERGY	
a) Energy Conservation	To achieve the savings in energy consumption, the Company has taken steps to minimize the heat loss in the Zinc plant; Change into CFL lighting wherever feasible; install the photo switches for switching off the yard and peripheral lighting; etc.
b) Additional investment and proposals if any, being implemented for reduction of consumption of energy	-- NIL -
c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production	Not Applicable
d) Total energy consumption and energy consumption per unit of production:	As per Form A.
B. TECHNOLOGY ABSORPTION	
e) Efforts made in technology absorption:	As per form B.
C. FOREIGN EXCHANGE EARNINGS & OUTGO	
f) Activities relating making efforts, export initiatives taken for exports to increase exports, growth, development of new export markets for products and services and export plans:	
g) Total foreign exchange earned and used:	Earned: Rs. 6317.59 lakhs and Used: Rs. 5761.73 lakhs

FORM A (See Rule 2)

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

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

	2011-12	2009-11
1. Electricity		
Units (KWH)	2636552	5098575
Total amount (Rs.)	15889542	24775025
Rate/units (Rs.)	6.03	4.86
2. Coal		
Quantity (Tonnes)	2295.94	1707.40
Total Cost (Rs.)	8117781	7935101
Average Rate (Rs.)	3535.71	4647.46
3. Furnace Oil		
Quantity (Ltrs.)	464922	2868595
Total Cost (Rs.)	16966752	74486865
Average Rate (Rs.)	36.49	25.97

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

Electricity (KWH)	: 70.07
Coal (Tonnes)	: 0.11
Furnace Oil (Ltrs.)	: 46.09

FORM – B

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

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

In view of the changing business / market conditions for the galvanized towers industry products and the growing potential for complicated structural products, we have undertaken an exercise for product reorientation and carried out extensive market research and product development to manufacture "TSF (Technological Structures Fabrication) for Thermal Power Projects, which call for a very precise and fine tuned manufacturing capacities of huge structures by a specially trained workmen and equipment to test.

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

The above efforts have yielded a place of prestige for your Company's TSF efforts in the user segment, which consists of the EPC contractors of the Mega Thermal Power Projects in the Country. Our R&D efforts have been duly recognized by the award of "Best Supplier (Sub Contractor)" by BHEL, Trichy in the first year of operations itself. In order to maximize the profits, your Company has various steps by taking up development of wider range of value added products, which include pre-fab structural fabrication and specialized towers. Towards speedy realization of these corporate goals, we have undertaken & carrying out on a continuing basis, extensive product development through minimum modifications in the existing production facilities and have, till date developed anticorrosive steel, epoxy coated structural steel products, pre-fabricated structurals and galvanized pipe & tube structures.

3. Future plan of Action

The products under development are Steel Components for Heavy Engineering

applications, Pipe & tube structures for Petroleum, Oil & Gas Sectors.

4. Technology Absorption, Adaption and Innovation

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

By order of the Board

S. Hanumanth Rao
Director

Y. Kamesh
Managing Director

Place : Hyderabad
Date : 11.08.2012

MANAGEMENT DISCUSSION AND ANALYSIS

In a nutshell, The business environment for your Company was challenging, to say the least during the year under review. We have seen fierce competition from small players, volatility in currency and in commodity prices, entry of new players from other industry segments, inordinate delays in Power capacity additions and Power density improvement projects played major constraints for growth.

The power availability and political unrests in Andhra Pradesh have also played a negative role on the operations of the Company.

A) INDUSTRY OVERVIEW

Transmission Sector in India

The Power Transmission sector is receiving greater focus than ever before due to an increasing power deficit and the Government's thrust on the power sector. The country's bulk transmission has increased from 3,708 ckm in 1950 to 170,800 ckm (Circuit Kilometers) in 1990-91 and to more than 265,000 ckm in 2009. The Government of India has initiated development of secure and economic national and regional grids, while working towards improving redundancy levels guided by international standards and practices. The existing inter-regional power transfer capacity of 17,000 MW is expected to be enhanced to 37,150 MW by 2012 (and to 50,000 MW by 2016) through creation of 'Transmission Super Highways'. This initiative offers a great opportunity for the products of your Company. For transmission and distribution business, implementation of National Grid by PGCIL is expected to sustain the present demand surge in the medium term.

TSF Division: The Government of India plans to add about 100,000 MW of additional generation capacity by 2021. For TSF division of your Company, such huge investment plans by public and private sector in the power generation is expected to afford more and more opportunities in this line of business. Further, your Company's own experience of executing these projects will certainly enhance its competitive bidding ability.

Having recognized that the overall ability to

sustain margins in a competitive and tender driven industry as the critical success factor, your Company is proactively investing on improvement of its project execution skills coupled with better supply chain management and optimization of working capital resources.

Growth plans

Looking at the current market trends prevailing STL is going ahead with aggressive plans with following sectoral approach as key channels for Growth:

- Power
 - Generation (EPC)
 - Transmission
 - Manufacturing
 - EPC
 - Refurbishment (EPC)
- Telecom
 - Telecom towers
 - Manufacturing
 - EPC
 - Tower augmentation
 - Operation and maintenance
- Oil & Gas
- Railways
 - Electrification
 - Track Laying

Summary of key actionables for STL's overall business growth

- Foray into the EPC space is the way forward
- Large scale investments planned in infrastructure
- Natural extension of existing business coupled with low capital intensity

Indian Steel Industry

While the demand for steel will continue to grow in traditional sectors such as infrastructure, construction, housing automotive, steel tubes and pipes, consumer durables, packaging, and ground transportation, specialized steel will be increasingly used in hi-tech engineering industries such as power generation, petrochemicals, fertilizers, etc. The new

airports and railway metro projects will require a large amount of stainless steel.

According to an estimate, with the growing need for oil and gas transportation infrastructure, a US\$ 118 billion opportunity is waiting to be tapped by steel manufacturers in the next five years. Indian steelmakers are set to make the most of booming global demand for steel pipes and tubes with the government withdrawing the 10 per cent duty on the exports of these products. Indian steel Companies are likely to get 19 per cent of the total global demand in the years to come.

Telecom Sector in India

The Indian telecommunications industry is one of the fastest growing in the world and India has become the second largest telecom market globally by 2011. India continues to be the world's fastest-growing mobile market and the total number of GSM users in the country has risen to 700 million as of May-end as per data released by the Cellular Operators' Association of India (COAI).

According to industry estimates, about \$25 billion will be invested by telecom service providers over the next two years, in building new infrastructure, or upgrading existing facilities. And a large chunk of this will be spent on expanding the network of mobile towers affording a viable opportunity for your Company.

B) PERFORMANCE

The Company has achieved a turnover of Rs.203425.14 lakhs with the production of 61825 MTs of re-rolled steel products, prefabricated and galvanized steel, and consumption of bought out components of 362994 MTs against the installed capacity of 298,125 MTs and earned profit after tax of Rs.6107.77 lakhs.

The Company is continuously focusing on fast and quality execution, cost reduction, obtaining of financial support from banks with competitive interest rates; order book building is being achieved by retaining the existing customers as well by exploring new customers to retain the upward trend in the performance of your Company.

C) RISKS & CONCERNS

Prices of major inputs such as Steel, Zinc and Aluminium are highly volatile and are in sync with the global markets. This volatility in the prices could impact the profitability of the Company. While there is no formal 'futures' mechanism to enable hedging against Steel price volatility at the moment, your Company is insulating itself from these adverse price movements by resorting to acceptance of the orders on "Variable" basis, which means the increase /decrease in the prices of the key raw materials are passed on to the customer. As and when the hedging mechanisms are made available, your Company would be the first one to take advantage of these instruments. However, as of now, your Company is utilising various options to procure the material by entering into term contracts.

The availability and cost of the funds remain to be a very important factor impacting on the plans of the Company and threatening the viability itself. Unless the government takes strong measures to boost the industrial activity and stimulate the industries by reducing the interest rates and making funds available, it would be difficult for the Indian Industry to achieve the targets.

The Availability of Power remains very critical in AP and this is forcing your Company to look for opportunities in other states like Gujarat, Assam & Chhattisgarh.

The political agitation across the state is having a major impact on the availability of the workmen and labour force.

The hiatus in continuing the reforms is adding gloom to the overall situation.

Coming to the macro-level economics, the global economy witnessed a volatile & uncertain operating environment over the last fiscal. This was reflected by Euro Zone debt crisis and with the rising concerns in the Middle East leading to rising crude oil prices and all round reflection of the same.

The global economy has grown at a modest pace of 3.9% in 2011, as compared to a robust growth of 5.2% in 2010. (Source: IMF) This has cast its shadow on the Indian economy too, which, after clocking an impressive

growth rate of over 8% for the past two years, the Indian economy couldn't achieve the expectations or unleash its potential in the fiscal 2012.

We must caution all concerned that there are several contributory factors including a likely recession in Europe and US, hardening of international crude prices and internal factors like high inflation, politically forced economic decisions might result in a slowdown of the Indian economy, which result in lower GDP growth rate than 6.5%, which was achieved in the financial year 2012. The other worrying factors, which might have their negative impact on the Indian Economy are weakening global economy, slow progress on major reforms, depreciation of rupee and soaring inflation.

Therefore, it must be clearly understood that each industry in particular and each industry segment in general has its own risk, from which it cannot be fully isolated but mitigated by means of proper risk management. Your Company foresees following areas of risk, concerns and threats in its arena of operations:

Inevitable exposure to variation in prices of commodities, foreign exchange and interest rate.

Project execution is largely affected by availability of skilled and unskilled manpower. Retention and competency management of employees is becoming increasingly critical.

EPC Projects are generally exposed to risk of delay in execution due to factors like right of way, obtaining of various approvals in time, environmental factors and finally resistance from locals etc.

Company is exposed to unpredictable risk of changes in policies of Government.

Although joint ventures are formed after proper due diligence, the risk of non performance of other party (s) in the JV can never be ruled out.

These risks are managed through a mix of orders across various platforms, timely and adequate hedging of commodity and exchange exposure, optimization of working capital limits and efficient inventory

management. Your Company keeps watch on global & national developments and keeps on reviewing the risks and as far as possible mitigating the same with suitable actions from time to time.

D) OUTLOOK AND OPPORTUNITIES

During the 12th five year plan, inter-regional transmission capacity of 37,800 MW has been planned. This would include addition of 110,000 circuit kilometers (CKM) of transmission lines, 13,000 MW of HVDC terminal capacities and 270,000 MVA of AC transformation capacities. It requires an investment of Rs. 6,400 billion in the T&D space, which is a growth of 42% over the previous plan. This includes an investment of Rs. 2,400 billion in transmission lines, which is a growth of 71% over the previous plan. It includes planned investments from PGCIL of around Rs. 1,000 billion and a similar quantum is expected to be invested by the state transmission companies and Rs. 400 billion of investments could be expected from private players. Typically, 65% of the transmission investment flows into tower package and the remaining 35% into sub-stations, which brings in immense opportunities for transmission EPC players offering end to end solutions in the sector. (Source: Report of working group of power for 12th plan - Gol, Ministry of Power)

Indian electricity distribution network has more than 200 million consumers, one of the highest in the world. Though generation and transmission capacities have increased distribution is an area of concern with increasing gap in demand and supply with peak demand deficit is in excess of 10%. To address deficiencies in distribution, Government continues to focus on rural electrification with special schemes and increase in fund allocation.

Private sector participation in T&D sector is inevitable with such large requirement for investments. Various projects are getting executed under the PPP model.

All the above afford a great opportunity for your Company to grow.

SUJANA TOWERS LIMITED

E) ADEQUACY OF INTERNAL CONTROL

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business.

F) 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. Having said that, your Company endeavors in recruiting the best of talent, motivating and retaining them and considers development of this biggest asset as its primary responsibility. Your Company firmly believes that this approach alone can make it face any challenge in today's business environment.

Highlights of the Financial Results

1. Share Capital

- At present, we have two classes of shares
- Equity shares of face value of Re. 1/-each
- Preference Shares of Rs. 100/- each

Authorised capital

As on the date of this report, the Authorized Share Capital of the Company is Rs. 100,00,00,000 (Rupee One Hundred Crores only) divided into 94,00,00,000 (Ninety Four Crores only) Equity Shares of Re. 1/- each and 6,00,000 (Six Lakhs only) Preference Shares of Rs. 100/- each.

Movement in Paid-up Capital

During the period under review, the Company has allotted 2,75,00,000 equity shares of Re.1/- each at a premium of Rs.10/- per share to the Promoter Group on 31.05.2011 by converting the balance 2,75,00,000 warrants within the due date i.e., 18 months from the date of allotment, which were already allotted on 21.12.2009.

Movement in Paid-up Capital

Particulars	Equity Shares (in Nos.)	Cumulative Redeemable Preference Shares (in Nos.)	Capital in Rs.
Paid-up capital on 31.03.2011	49,16,49,230	2,96,795	52,13,28,730
Add: Equity shares of Re.1/- each allotted to Promoter Group on conversion of warrants, already allotted	2,75,00,000		2,75,00,000
Paid-up capital on 31.03.2012	51,91,49,230	2,96,705	54,88,28,730

Reserves & Surplus

During the year under review, the reserves stand at Rs.71125.54 lakhs against Rs. 62307.76 lakhs in 2009-11. The increases in reserves are Rs.8817.78 lakhs. The increase in reserves is on account of securities premium account generated of Rs. 2750.00 lakhs on account of shares issued on preferential basis and balance represents current year profit.

Long Term Borrowings

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Long Term Borrowings	19651.34	6024.72	13626.62	226.18

Long term borrowings are increased by Rs.13626.62 lakhs due to increase in long term loans taken from customers.

Short Term Borrowings

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Short Term Borrowings	53527.87	50497.42	3030.45	6

Short term borrowings increased by Rs.14503.78 lakhs due to increase in working capital demand loans and repayment of short term loans of Rs.11473.33 lakhs during the year.

Net Worth

The net worth of the Company as on 31st March, 2012 (consisting of 12 months) is Rs. 76613.83 lakhs against Rs. 67521.03 lakhs in 2009-11 (consisting of 18 months). The increase in the Net worth is about Rs.9092.78 lakhs when compared to net worth at the end of previous financial year.

Fixed Assets

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Tangible assets	38645.61	32167.03	6478.59	20.14

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

Non Current Investments

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Non Current Investments	13998.68	7.22	13991.46	193879.43

Infusion of share capital in wholly owned subsidiaries was Rs.13991.46 lakhs.

Long-term loans and advances

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Long-term loans and advances	7097.21	20919.13	(13821.92)	(66.07)

Loans and advances decreased by Rs.14517.56 lakhs from Rs. 15509.56 lakhs in 2009-11 to Rs. 992.01 lakhs in 2011-12. The decrease was mainly due to unsecured loan of Rs. 13991.46 lakhs given to wholly owned subsidiary converted into share capital.

Short-term loans and advances

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Short-term loans and advances	14174.65	26597.87	(12423.22)	(46.71)

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

Trade Receivables

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Total Debtors	10665.40	6368.72	4296.68	67.47

Increase in trade receivables is mainly due to increase in sales and increase in customer base. The average trade receivables i.e. collection period, in terms of number of days as on 31st March 2012 was 191 days, compared to 133 days as on 31st March 2011.

Trade Payables

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Trade Payables	38874.05	28015.23	10858.81	38.76

Trade payables increased by Rs.10858.81 lakhs mainly due to increase in purchase of materials.

Inventories

(Rupees in Lakhs)

Particulars	2011-12	2009-11 (18 Months)	Change	Change %
Raw Materials	989.73	994.25	(4.52)	(0.45)
Work-in-progress	3,645.29	4,566.35	(921.06)	(20.17)
Finished goods	95.31	768.59	(673.27)	(87.60)
Goods-in-transit	14,992.26	9,613.58	5,378.67	55.95
Stores and spares	977.28	746.72	230.56	30.88
Total	20,699.87	16,689.50	4,010.37	24.03

The average inventory holding in terms of number of days as on 31st March 2012 was 37 days vis-à-vis 35 days as on 31st March 2011. The increase in inventory is on account of increase of raw material stock and traded stock on account of order book.

6. Segment Wise Performance & Geographical Information

The Company primarily engaged in the business of manufacturing sales and trading sales of Iron & Steel products. The Company has identified two primary business segments, namely manufacture steel and Trade Steel & Steel products, which in the contest of accounting standard- 17 on “Segment Reporting” constitute reportable segments.

7. Statutory Compliance

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

8. Material developments in Human Resources

The development of Human Resources is a key strategic challenge in order to prepare people for future responsibilities in terms of professional skills as well as business skills. Sujana Towers Limited has conducted training programmes to its employees enabling them to improve / upgrade their skills. The Company recruited fresh Engineering Graduates, Diploma Engineers and Experienced Executives are recruited only for critical positions for which skill sets are not adequate in the existing team. Silent Revolution continues unabated: Creating tomorrow’s leaders through identification and nurture of potential talent. The Company has taken numerous initiatives for leadership development.

9. Corporate Social Responsibility (CSR)

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

Cautionary Statement

Statement 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 affecting 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.

REPORT ON CORPORATE GOVERNANCE

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

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

Corporate Governance philosophy of your Company stems from its belief that Corporate Governance is a key element in improving efficiency as well as enhancing investor confidence and committed to practice sound governance principles and believe that good governance is an ongoing process to achieve the values of integrity, honesty, transparency and accountability which are fundamental to the Sujana Group.

The Company is guided by core principles of governance like integrity, fairness, equity, transparency, accountability, disclosures, commitment to values and compliances to enhance the value for stakeholders' viz., customers, shareholders, employees, lenders, vendors including society of which the Company is a part

During the financial year under review, the Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

II. Board of Directors

1. Composition of Board of Directors

The Company has a Promoter and Non-Executive Chairman and the number of Independent Directors is more than one-half of the total number of Directors as required by Clause 49. The number of Non-Executive Directors is more than 50% of the total number of Directors.

The existing Policy is to have an appropriate blend of Executive and Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

Accordingly, the Board of Directors of your Company consists of Nine (9) members, out of which one (1) is Promoter & Non Executive Chairman, one (1) is Managing Director, four (4) of them are Independent and Non-Executive Directors, two (2) are Promoters and Non-Executive Directors and one (1) is a Nominee Director of IDBI and deemed to be Independent Director as per Clause (d) of explanation to sub-clause iii of Clause 49 of the Listing Agreement.

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

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

SUJANA TOWERS LIMITED

Sl. No.	Name of the Director	Category	Designation	No. of Board Meetings attended	Attendance of each Director at the last A.G.M.
1	Shri Y.S. Chowdary	Promoter & Non-Executive Director	Chairman	1	No
2	Shri Y. Kamesh	Non-Promoter & Executive Director	Managing Director	3	Yes
3	Shri K. Raghavaiah*	Non-Promoter & Executive Director	Director (Technical)	3	Yes
4	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	Director	4	No
5	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	Director	4	Yes
6	Shri K.S.Purohit	Independent & Non-Executive Director	Director	0	N.A.
7	Shri A.S.Anand Kumar	Independent & Non-Executive Director	Director	4	Yes
8	Shri M.V.Bhaskara Rao	Independent & Non-Executive Director	Director	4	N.A.
9	Shri S. Venkatachalam**	Independent & Non-Executive Director	Director	2	N.A.
10	Shri L.V. Rao	Independent & Non-Executive Director	Director	4	Yes
11	Shri Anil Ratanpal	IDBI Nominee	Director	4	N.A.

The necessary quorum was present at the meetings.

Change in the Composition of Board of Directors since the date of last AGM held on 25.06.2011.

* Shri K. Raghavaiah, Director (Technical), resigned from the Board of Directors of the Company and the same was approved by the Board at their meeting held on 28.05.2012.

** Shri S. Venkatachalam, resigned from the Board of Directors of the Company and the same was approved by the Board at their meeting held on 14.11.2011.

Sl. No.	Name of the Director	No. of Directorships in other Companies		No. of Committee positions held in other Companies	
		No. of Chairmanships	No. of Directorships*	No. of Chairmanships	No. of Committee Memberships
1	Shri Y.S. Chowdary	--	12	1	6
2	Shri Y. Kamesh	--	1	--	--
3	Shri K. Raghavaiah	--	--	--	--
4	Shri G. Srinivasa Raju	--	10	1	6
5	Shri S. Hanumantha Rao	1	14	1	7
6	Shri K.S.Purohit	--	1	--	--
7	Shri A.S.Anand Kumar	--	8	--	--
8	Shri M.V.Bhaskara Rao	--	2	--	--
9	Shri S. Venkatachalam	--	--	--	--
10	Shri L.V. Rao	--	4	--	--
11	Shri Anil Ratanpal	--	--	--	--

*Including Private Limited Companies.

2. Board Procedure

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

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

A minimum of four Board Meetings are held every year and are usually held at the Registered Office of the Company. Dates of the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. Notices of Board Meetings were sent to the Directors as required under Section 286 of the Companies Act, 1956 well in advance. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company.

Four Board Meetings were held since 31.03.2011 (closure of last financial year) upto 31.03.2012 (closure of this financial year under review) and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

25th May, 2011, 11th August, 2011, 14th November, 2011 and 14th February, 2012.

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

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

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

III. Audit Committee

1. Scope of the Audit Committee

The Audit Committee of your Company oversees the work carried out in the financial reporting process by the management, including the Internal Auditors and the Independent Auditor and notes the processes and safeguards employed by each. However the scope of activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements entered with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

SUJANA TOWERS LIMITED

- a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

2. Composition and Procedure of the Audit Committee

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

The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement. The Audit Committee of your Company comprises of four (4) Independent and Non-Executive Directors and one (1) Promoter and Non-Executive Director and the Members possess adequate knowledge of Accounts, Audit, Finance, etc. The details of the Committee is detailed below:

SI.No.	Name of the Member	Designation	No. of Meetings attended
1	Shri A.S. Anand Kumar	Member & Chairman	4
2	Shri K.S. Purohit	Member	--
3	Shri M.V. Bhaskara Rao	Member	4
4	Shri L.V. Rao	Member	4
5	Shri S. Hanumantha Rao	Member	4

The necessary quorum was present at the meetings.

There was no change in the composition of Audit Committee since the date of last AGM held on 25.06.2011.

Four meetings of the Audit Committee were held since 31.03.2011 (closure of last financial year) upto 31.03.2012 (closure of this financial year under review). The date on which, the Audit Committee Meetings were held were as below:

25th May, 2011, 11th August, 2011, 14th November, 2011 and 14th February, 2012.

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

IV. Remuneration Committee

1. Scope of the Remuneration Committee

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

2. Composition and other details of the Remuneration Committee

The Remuneration Committee of your Company comprises of three (3) Independent and Non-Executive Directors as detailed below:

Sl.No.	Name of the Member	Designation
1	Shri A.S. Anand Kumar	Member & Chairman
2	Shri S. Hanumantha Rao	Member
3	Shri K.S. Purohit	Member

There was no change in the composition of Remuneration Committee since the date of last AGM held on 25.06.2011.

One meeting of the Remuneration Committee was held on 25.05.2011 during the financial year 2011-2012. The necessary quorum was present at the meeting.

3. Remuneration paid to the following Executive Directors during the period under review

Sl. No.	Name	Salary P.A. Rs.	Commission/ Incentives Rs.	Deferred Benefits (Perquisites) Rs.	Others	Total Rs.
1	Shri Y. Kamesh	36,00,000	-	-	-	36,00,000
2	Shri K. Raghavaiah	55,16,667	-	-	-	55,16,667

4. Remuneration Policy

The Remuneration Committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The Remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the Remuneration Committee to the Board.

5. Sitting Fee details

Sl.No.	Name of the Director	Sitting fee paid during the period 2011-12 in Rs.
1	Shri K.S. Purohit	-
2	Shri A.S. Anand Kumar	80,000/-
3	Shri M.V. Bhaskara Rao	80,000/-
4	Shri S. Venkatachalam	20,000/-
5	Shri L.V. Rao	80,000/-
6	Shri Anil Ratanpal, IDBI Nominee	40,000/-

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

Shareholdings of Directors as on 31.03.2012

Sl.No.	Name of the Member	Designation	No.of Shares held
1	Shri Y.S. Chowdary	Promoter & Non- Executive Chairman	3,767,272
2	Shri G. Srinivasa Raju	Promoter & Non- Executive Director	1,801,845
3	Shri S. Hanumantha Rao	Promoter & Non- Executive Director	70,000

V. Shareholders' Grievance Committee

1. 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.

2. Constitution and Composition of the Shareholders' Grievance Committee

Sl.No.	Name of the Member	Designation
1	Shri S. Hanumantha Rao	Member & Chairman
2	Shri G. Srinivasa Raju	Member
3	Shri M.V. Bhaskara Rao	Member

There was no change in the composition of Shareholders' Grievance Committee since the date of last AGM held on 25.06.2011.

No Shareholders' Grievance Committee Meeting was held during the financial year 2011-2012 and all the grievances received by the Company from the Members of the Company has been resolved by the Share Transfer Committee.

3. Name and Designation of the Compliance Officer

The name and designation of the Compliance Officer of your Company is Shri L. Narasimha Rao, Company Secretary of your Company.

4. No. of Shareholders Complaints received so far during the year – 11 (Eleven) and all the Complaints were resolved

Nature of queries/compliants	Received	Resolved	Un-Resolved
No. of requests for change of address	4	4	--
Advice procedure for name deletion/duplicate	--	--	--
No. of requests for transmission	--	--	--
Non-receipt of Annual Reports	--	--	--
Duplicate Certificate Requests letters	1	1	--
Exchange of Share Certificates	6	6	--
Non receipt of Demat Rejected Share certificates	--	--	--
Miscellaneous Letters	--	--	--
TOTAL	11	11	--

5. No. of Pending Transfers

There are no share transfers pending more than fortnight during the financial year under review.

VI. 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, 1956. During the year under review Fourteen (14) meetings of Share Transfer Committee were held.

There was no change in the composition of Share Transfer Committee since the date of last AGM held on 25.06.2011.

VII. Management Committee

The Management Committee comprises of Shri Y.S. Chowdary, Shri Y. Kamesh, 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, 1956. During the year under review, the Management Committee met Forty (40) times.

There was no change in the composition of Management Committee since the date of last AGM held on 25.06.2011.

VIII. General Body Meetings

The financial year 2011-2012 is the fifth financial year of the Company. The details of last three AGMs held are as below:

SUJANA TOWERS LIMITED

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Venue	Time	Details of Special Resolutions passed
1	4 th	25 th June, 2011	Anjuman, Taj Deccan Road No.1, Banjara Hills Hyderabad – 500 034	4.00 P.M.	<ol style="list-style-type: none"> 1. Issue of further equity shares and/or convertible warrants of the Company by way of Preferential Issue to an extent of Rs.3.00 Crores. 2. Amendment to Articles of Association of the Company. 3. Re-appointment of Shri K. Raghavaiah, Director (Technical) of the Company.
2	3 rd	27 th March, 2010	Kohinoor, Taj Deccan Road No.1, Banjara Hills Hyderabad – 500 034	4.30 P.M.	<ol style="list-style-type: none"> 1. Re-appointment of Shri L.V. Rao as Director of the Company, who shall be liable to retire by rotation.
3	2 nd	27 th February, 2009	Hotel Sitara Residency, Ameerpet, Hyderabad – 500 038	4.00 P.M.	- NIL -

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

Details of special resolution passed through postal ballot and details of voting pattern during the period under review

Sl. No.	Details of Resolution passed through postal ballot	Details of voting pattern	Person who conducted the postal ballot exercise
1	Increase of Authorized Share Capital of the Company from Rs.100 Crores to Rs.125 Crores	No. of votes cast in favour of the Resolution - 200610829 No. of votes cast against the Resolution - 923212	Shri Y. Ravi Prasada Reddy Practicing Company Secretary FCS No.5783, CP No.5360
2	Issue of such number of equity shares and/or any securities linked to convertible into or exchangeable for equity shares for an aggregate amount not exceeding Rs.1500 Crores	No. of votes cast in favour of the Resolution - 200611099 No. of votes cast against the Resolution – 923222	
3	Increase in the borrowing powers of the Company.	No. of votes cast in favour of the Resolution - 200611079 No. of votes cast against the Resolution – 923222	
4	Amendment of Articles of Association of the Company by inserting two new Articles regarding participation of the Members and Directors in General and Board Meetings respectively, through electronic mode.	No. of votes cast in favour of the Resolution - 201532166 No. of votes cast against the Resolution – 2135	

Details of special resolutions proposed, which are required to be passed through Postal Ballot are as follows

Details of resolution proposed to be passed through Postal Ballot	Type of the Resolution	Details of Scrutinizer for the Postal Ballot
To make any loan and/or to make investment and/or to give any guarantee and/or to provide security u/s 372A of the Companies Act, 1956.	Special Resolution for the said purpose has been set out as Item No.6 in the notice of 5 th Annual General Meeting.	Shri Y.Ravi Prasada Reddy Practising Company Secretary FCS No. 5783 C.P.NO. 5360
To lease or transfer the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956.	Ordinary Resolution for the said purpose has been set out as Item No.7 in the notice of 5 th Annual General Meeting.	
To shift the Registered Office of the Company from the state of Andhra Pradesh to Tamilnadu	Special Resolution for the said purpose has been set out as Item No.8 in the notice of 5 th Annual General Meeting.	
Note: Procedure for exercising the voting rights by the members of the Company through postal ballot and calendar of events are furnished in Page Nos. 93 & 94.		

IX. Disclosures

1. Materially Significant related party transactions

There are no materially significant related party transactions i.e. transactions, material in nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the Company at large except as mentioned in section 17 to the Annual Accounts for the period ended on 31.03.2012.

2. Details of Statutory Non-compliances

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any material related to capital markets, during the period under review.

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

4. Risk Management

The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the financial year 2012-13.

5. Adoption of non-mandatory requirements

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

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

1. Clause 49(I)(D): Code of Conduct

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

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

2. Clause 49(IV)(B): Disclosure of Accounting Treatment

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

3. Clause 49(IV)(E)

- a. None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the Director except receiving sitting fee for attending Board/Committee meetings.
- b. None of the Non-Executive Directors, except Shri Y.S. Choudary, Shri G. Srinivasa Raju and Shri S. Hanumantha Rao is holding any shares in the Company.

4. Management Discussion and Analysis Report

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

5. Clause 49(IV)(G): Shareholders Information

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

6. Clause 49(V):CEO&CFO Certification

Certification by Chief Executive Officer and Chief Financial Officer of the Company as required under Clause 49 of the Listing Agreement is provided elsewhere in this Annual Report.

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

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

XI. Means of Communication

- a. Publication of Quarterly Financial Results in daily newspapers and the same will be updated in the Company's Website at www.sujana.com.
- b. Furnishing the Quarterly Financial Results to Stock Exchanges in which Company's shares are listed.
- c. Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Shareholders through Post.

d. Company's Corporate Website

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

e. NSE Electronic Application Processing System (NEAPS)

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

f. Annual Report

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

g. Chairman's Communiqué

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

XII. General Shareholders Information

1. Details pursuant to 5th AGM

1.	Date	22.09.2012
2.	Time	4.00 P.M.
3.	Venue	Kohinoor, Taj Deccan, Road No. 1, Banjara Hills, Hyderabad - 500 034.
4.	Financial Year	2011-2012
5.	Book Closure Date	20 th September, 2012 (One day only)
6.	Dividend Payment Date	Not Applicable

2. Details pursuant to Listing of Securities

a. Listing of Securities

The Company's Equity shares are listed on the following 2 Stock Exchanges in India :

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
2. National Stock Exchange of India Ltd
Exchange Plaza, Bandra-Kurla Complex
Bandra(E), Mumbai - 400 051.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2011-12.

SUJANA TOWERS LIMITED

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

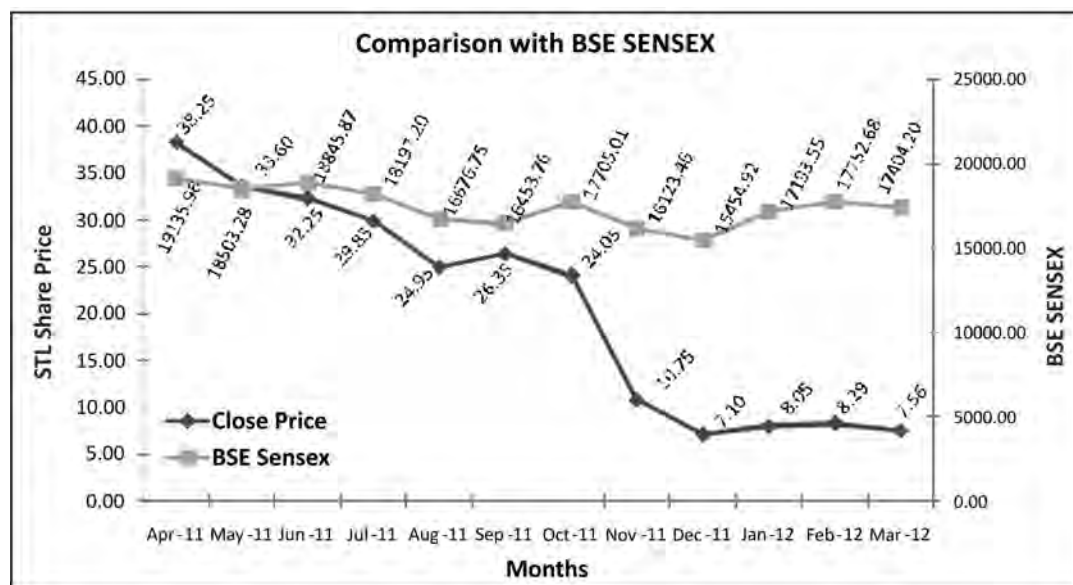
b. Stock Code

BSE Scrip Code : 532887
 NSE Scrip Code : SUJANATOW
 Luxembourg Stock Exchange Code : US86507U1007
 Demat ISIN in NSDL and CDSL for equity shares : INE333101028

3. Market Price Data

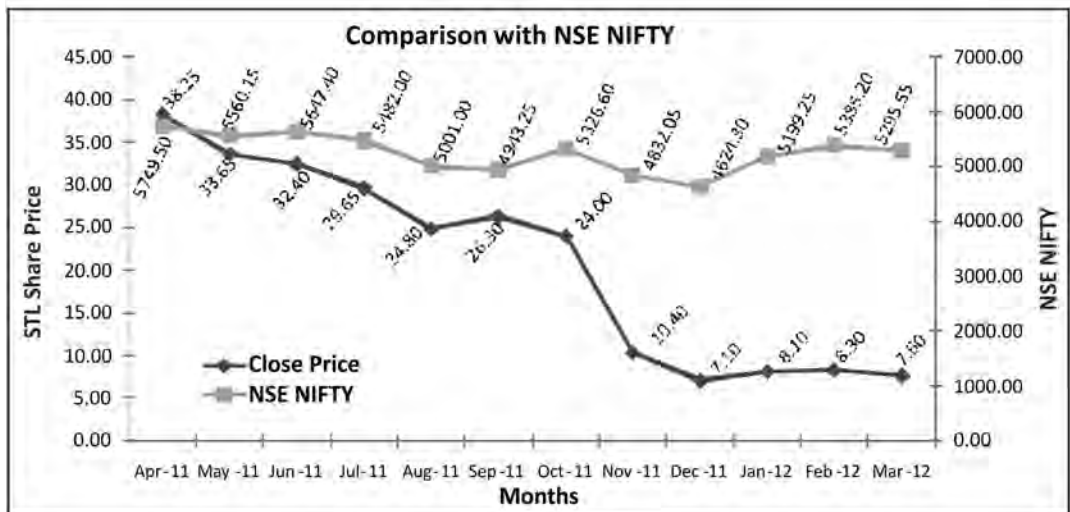
The trading of equity shares in the Bombay Stock Exchange Limited for the period from 01.04.2011 to 31.03.2012.

Month	High	Low	Close	BSE Sensex (Closing)
April, 2011	41.75	30.35	38.25	19135.96
May, 2011	46.00	32.00	33.60	18503.28
June, 2011	37.40	26.60	32.25	18845.87
July, 2011	34.40	28.10	29.85	18197.20
August, 2011	30.35	19.95	24.95	16676.75
September, 2011	30.90	24.30	26.35	16453.76
October, 2011	27.80	22.70	24.05	17705.01
November, 2011	25.75	10.75	10.75	16123.46
December, 2011	10.80	5.07	7.10	15454.92
January, 2012	8.64	7.25	8.05	17193.55
February, 2012	9.10	7.70	8.29	17752.68
March, 2012	8.35	6.18	7.56	17404.20



The trading of equity shares in the National Stock Exchange of India Limited for the period from 01.04.2011 to 31.03.2012.

Month	High	Low	Close	NIFTY (Closing)
April, 2011	41.65	29.55	38.25	5749.50
May, 2011	41.70	32.05	33.65	5560.15
June, 2011	37.00	26.60	32.40	5647.40
July, 2011	34.40	29.10	29.65	5482.00
August, 2011	30.35	21.00	24.80	5001.00
September, 2011	30.80	24.15	26.30	4943.25
October, 2011	27.25	22.50	24.00	5326.60
November, 2011	25.70	10.35	10.40	4832.05
December, 2011	10.75	5.15	7.10	4624.30
January, 2012	8.60	7.25	8.10	5199.25
February, 2012	9.20	7.75	8.30	5385.20
March, 2012	8.40	6.25	7.60	5295.55



4. 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. They will complete 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.

5. Dematerialization of Shares

99.36% of the Company's Paid-up capital has been dematerialized upto 31.03.2012 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	27,38,33,203	52.74
CDSL	24,20,17,012	46.62
Physical	32,99,015	0.64
Total	51,91,49,230	100.00

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

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

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

6. Distribution of Shareholding

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

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
1. Upto - 5,000	1,72,99,368	3.33	20,294	92.16
2. 5,001 - 10,000	53,50,853	1.03	682	3.10
3. 10,001 - 20,000	55,89,381	1.08	376	1.71
4. 20,001 - 30,000	43,54,900	0.84	172	0.78
5. 30,001 - 40,000	26,94,894	0.52	76	0.35
6. 40,001 - 50,000	29,86,016	0.58	63	0.29
7. 50,001-1,00,000	96,33,427	1.86	127	0.58
8. 1,00,001 and above	47,12,40,391	90.77	230	1.04
Total	51,91,49,230	100.00	22,020	100.00

Shareholding pattern as on 31st March, 2012

Sl.No.	Category	No. of Holders	No. of Shares	% to Equity
1	Promoters and Promoters Group	9	19,08,35,292	36.76
2	Bodies Corporate	4,734	12,59,63,654	24.26
3	Public-Individuals	17,051	7,67,34,400	14.78
4	NRIs	204	23,07,783	0.44
5	Foreign Institutional Investors	14	2,92,95,001	5.64
6	Financial Institutions/Banks	2	90,13,100	1.74
7	Shares held by Custodians and against which Depository Receipts have been issued.	1	8,50,00,000	16.37
	Total	22,015	51,91,49,230	100.00

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

Balance 2,75,00,000 convertible warrants were converted into 2,75,00,000 equity shares of Re.1/- each on 31.05.2011.

8,50,00,000 equity shares underlying 1,70,00,000 Global Depository Receipts (GDRs) are outstanding for conversion as on date.

8. 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 6th 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.

9. Plant Location

- (i) Plot No.128/A, I.D.A., Bollaram – 502 325
Jinnaram Mandal, Medak Dist., A.P.
- (ii) Plot No.10, 11 AND 12, Sy. No.172, I.D.A.
Bollaram – 502 325, Jinnaram Mandal, Medak Dist., A.P.
- (iii) Plot No. 9, Sy. NO.172/EE, U, UU, I.D.A.
Bollaram – 502 325, Jinnaram Mandal, Medak Dist., A.P.
- (iv) Plot No. 159 B & C, Sy. NO.172/A, I.D.A.
Bollaram – 502 325, Jinnaram Mandal, Medak Dist., A.P.
- (v) Sy.No. 321, Turkala Khanapur Village – 502 201
Hatnur Mandal, Medak Dist., A.P.

10. Address for Correspondence

Registered Office & Secretarial Department

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

Phone No.23351882. website : www.sujana.com

Compliance Officer mail id : latikenrao@gmail.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 – 500 082

Phone No. : 040-2337 4967

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

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

By order of the Board

Y. Kamesh

Managing Director

Place : Hyderabad

Date : 11.08.2012

CEO & CFO CERTIFICATION

We, Y.Kamesh, Managing Director & Chief Executive Officer and Shri N.C Krishna, Chief Financial Officer, to the best of our knowledge and belief, do hereby certify that

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

Place: Hyderabad	Y. Kamesh Managing Director & Chief Executive Officer	N.C. Krishna Chief Financial Officer
Date: 11.08.2012		

Certificate on Corporate Governance

To

The Members of Sujana Towers Limited,

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

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

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

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

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

Place: Hyderabad
Dated: 11.08.2012

Y. Ravi Prasada Reddy
Practicing Company Secretary
FCS. No. 5783 CP No. 5360



AUDITORS' REPORT

TO THE MEMBERS OF
SUJANA TOWERS LIMITED

1. We have audited the attached Balance Sheet of Sujana Towers Limited as at 31st March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 of the said order to the extent they are applicable to the Company.
4. Further to our comments in the annexure referred to in Paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of such books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement referred to in this report are in agreement with the books of accounts of the Company.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon and schedules attached thereto, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date;

For R. SUBRAMANIAN AND COMPANY
CHARTERED ACCOUNTANTS
(Reg No. 004137S)

A.S. Ramanathan
Partner

Membership No. 011072

Place: Hyderabad (Camp)
Date: May 28, 2012

ANNEXURE TO THE AUDITORS' REPORT

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

- i. (a) The Company is in the process of updating its fixed assets register showing particulars including quantitative details and location / situation of fixed assets.
- (b) According to the information given to us, the fixed assets have been physically verified during the year by the management in accordance with a programme of verification. In our view the periodicity of verification is reasonable having regard to the size of the Company and nature of its assets. However the comparison of the physical fixed assets is pending reconciliation with Fixed Assets Register.
- (c) As per information and explanations given to us, the disposal of fixed assets during the year was not substantial and hence does not affect the going concern assumption.
- ii. (a) As explained to us, physical verification of inventories was carried out during the year by the Management at reasonable intervals. However the documentation with regard to such verification has to be strengthened.
- (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to information and explanation given to us, proper records of inventory have been maintained by the Company and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- iii. (a) During the period under review, the Company has not availed loans from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
- (b) During the period under review, the Company has not granted to a company listed in the Register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, additional strengthening of the internal control procedures with regard to purchases of inventory and fixed assets and for the sale of goods is recommended so as to be commensurate with the current size of the Company and nature of its business. However, in our opinion, management is taking reasonable steps to correct the said weaknesses and we have not observed any other continuing failure to correct major weaknesses in internal controls.
- v. The particulars of contracts or arrangements referred to section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- vi. The Company has not accepted any fixed deposits from the public during the year requiring compliance of provisions of Section 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956.
- vii. In our opinion, the Company has an internal audit system which in our opinion is commensurate with the size of the Company and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to section 209(1) (d) of the Companies Act 1956, for maintenance of cost records and based on review; we are of the opinion that prima facie the prescribed accounts and records are maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- ix. (a) According to the information and explanations given to us, the Company has been regular, in depositing undisputed statutory dues including Employees Provident Fund, Employees' State Insurance, Investor Protection fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. However, there have been instances of delay in remittance of TDS, Income Tax with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Service Tax etc., were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable excepting :

Particulars	Amount Rs. in Lakhs
Income Tax (2009 – 2010)	354.89
Income Tax (2010 – 2011)	2722.21
Income Tax (2011 – 2012) upto Sep 11	1371.23
Tax Deducted at Source (upto Sep 11)	27.37
Work Contract Tax (2010 – 2011)	6.98
Dividend Distribution Tax (upto Sep 11)	0.50

- (c) According to the information and explanations made available to us and on the basis of examination of records of the Company, the dues of Excise Duty, Sales Tax and Income Tax as at 31st March 2012 which have not been deposited on account of any dispute are as follows:

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where matter is pending	Amount
Excise Department			
Excise Duty on Sale of Scrap	2010 – 2011	Additional Commissioner of Central Excise	Rs. 30.98 lacs (Paid Rs. 15.49 lacs during the year 2010 – 2011)
Sales Tax Department			
Submission of C Forms	2011 – 2012	Appellate Deputy Commissioner	Rs. 72.02 lacs

- x. The Company does not have any accumulated losses as at 31.03.2012 and has not incurred cash losses during the current period and also in the immediately preceding period covered by audit.
- xi. As per the information and explanations made available to us, the Company has defaulted in repayment of dues to financial institutions or banks to the extent of Rs.28.47 Crores payable to M/s L&T Infrastructure Finance Limited and M/s SICOM.
- xii. According to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of Clause 4(xiii) of the Order relating to Chit Funds / Nidhi are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee during the year towards loans taken by others from banks and financial institutions.

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- xvi According to the information and explanations given to us, the Company has not availed any term loan during the current year.
- xvii. According to the Cash Flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has during the year made allotment of shares to Warrant holders on conversion of such warrants issued on preferential basis to parties companies covered in the register maintained under section 301 of the companies' act 1956. The issue price of shares so allotted has been determined in accordance to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Hence, it is not prejudicial to the interests of the company.
- xix. The Company has not issued debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- xx. The Company has not raised any funds by means of public issue during the current year and hence the question of disclosing the end-use of money raised by way of public issue does not arise.
- xxi. Based on the audit procedures performed and on the basis of representation obtained from the management, we report that no instance of fraud on or by the Company have been noted or reported by the management during the year.

For R. SUBRAMANIAN AND COMPANY
CHARTERED ACCOUNTANTS
(Reg No. 004137S)

A.S. Ramanathan
Partner
Membership No. 011072

Place: Hyderabad (Camp)
Date: May 28, 2012

BALANCE SHEET AS AT 31.03.2012

(In Rupees)

PARTICULARS	Note	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	548,828,730	521,328,730
Reserves and surplus	4	7,112,553,917	6,230,776,000
Money received against share warrants		-	75,625,000
Non-Current Liabilities			
Long-term borrowings	5	1,965,133,576	602,472,026
Deferred tax liabilities (net)	6	658,910,068	556,319,431
Other long term liabilities	7	30,467,152	30,467,152
Long term provisions	8	7,895,531	6,831,640
Current liabilities			
Short-term borrowings	9	5,352,787,462	5,049,742,073
Trade payables	10	3,887,404,650	2,801,523,387
Other current liabilities	11	576,000,839	389,573,433
Short term provisions	12	568,027,978	333,287,637
Total		<u>20,708,009,903</u>	<u>16,597,946,509</u>
ASSETS			
Non current assets			
Fixed Assets			
Tangible	13	3,864,561,136	3,216,702,619
Intangible		1,120,524	-
Non-Current investments	14	1,399,868,058	721,658
Long term loans and advances	15	709,720,680	2,091,912,818
Current assets			
Inventories	16	2,069,987,170	1,668,949,982
Trade receivables	17	10,665,396,795	6,368,717,215
Cash and cash equivalents	18	573,016,017	587,846,859
Short term loan and advances	19	1,417,464,971	2,659,786,999
Other current assets	20	6,874,550	3,308,358
Total		<u>20,708,009,903</u>	<u>16,597,946,509</u>

Significant accounting policies & Notes to accounts Note 1 & 2

As per our report attached

For and on behalf of the Board

for M/s. R. Subramanian and Company

Chartered Accountants

Firm's Registration No. 004137S

A.S. Ramanathan

Partner

Membership No. 011072

Place: Hyderabad (Camp)

Date: May 28, 2012

Y. Kamesh

Managing Director

N.C. Krishna

Chief Financial Officer

Place: Hyderabad

Date: May 28, 2012

S. Hanumantha Rao

Director

L. Narsimha Rao

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012 (In Rupees)

PARTICULARS	Note	FOR THE YEAR ENDED 31.03.12 (12 MONTHS)	FOR THE PERIOD ENDED 31.03.11 (18 MONTHS)
Revenue from operations			
a. Sale of Products		20,598,617,652	17,974,625,416
b. Other operating revenues	21	70,353,817	31,115,559
Less : Excise Duty		256,103,209	483,356,043
Total revenue from operations		20,412,868,260	17,522,384,932
Other income	22	148,529,515	12,103,811
Total Revenue		20,561,397,775	17,534,488,743
Expenses			
Cost of materials consumed	23	2,259,852,704	3,488,327,119
Purchase of Stock-in-trade	24	14,975,756,697	11,052,369,283
Change in inventory of finished goods, work-in-progress and stock-in-trade	25	159,433,398	(227,152,016)
Employee benefits	26	96,842,925	121,727,816
Finance costs	27	1,322,417,038	995,381,455
Depreciation and amortisation expense	13	195,274,446	267,910,833
Other expenses	28	577,430,389	696,665,059
Total expenses		19,587,007,597	16,395,229,549
Profit before tax		974,390,178	1,139,259,194
Tax Expense			
Current tax		261,022,652	324,482,928
Deferred tax		102,590,637	28,715,282
Profit for the Year/Period		610,776,889	786,060,984
Earning Per Share			
Basic		1.18	1.88
Diluted		1.18	1.77
Number of shares used in computing earnings per share			
Basic		514,628,682	417,131,813
Diluted		514,628,682	444,631,813
Significant accounting policies & Notes to accounts 1 & 2			

As per our report attached

For and on behalf of the Board

for M/s. R.Subramanian and Company

Chartered Accountants

Firm's Registration No. 004137S

Y. Kamesh

Managing Director

S. Hanumantha Rao

Director

A.S. Ramanathan

Partner

Membership No. 011072

N.C. Krishna

Chief Financial Officer

L. Narsimha Rao

Company Secretary

Place: Hyderabad (Camp)

Date: May 28, 2012

Place: Hyderabad

Date: May 28, 2012

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2012		(Rs in Lakhs)	
Particulars		For the period ended 31.03.2012	For the period ended 31.03.2011
A.	Cash Flow from Operating Activities		
	Net Profit Before Tax	9,707.38	7,855.40
	Adjusted for Depreciation	1,952.74	2,679.11
	Dividend Distribution Tax		5.21
	Provision for Gratuity and Earned Leave	10.64	418.11
	Foreign Exchange Gain		-
	Financial Charges	13,224.17	9,953.81
	Interest Earned & Other Income	2,188.83	(432.19)
	Operating Profit before Working Capital Changes	27,083.77	20,479.45
	Adjusted for		
	Decrease/(Increase) in Inventories	(4,010.37)	(13,066.73)
	Decrease/(Increase) in Debtors	(42,966.80)	(47,824.70)
	Decrease/(Increase) in Loans and Advances	9,133.10	(32,094.13)
	(Decrease)/Increase in Current Liabilities	29,607.39	31,171.13
	Cash generated from Operations	18,847.10	(41,334.99)
	Other Income	-	311.16
	Taxes Paid	270.00	281.84
	Cash from Operating Activities (A)	19,117.10	(40,741.99)
B.	Cash Flow from Investing Activities		
	(Increase) in Fixed Assets	(9,674.72)	(10,418.45)
	Sale of Fixed Assets	1,447.20	385.38
	Increase in Capital work-in-progress	-	3,989.58
	Increase in Investments	(14,005.897)	0.52
	Interest Received	-	121.04
	Cash used in Investing Activities (B)	(22,233.42)	(5,922.40)
C.	Cash Flow from Financial Activities		
	(Decrease)/Increase in Long Term Borrowings	(1,625.05)	26,692.67
	(Decrease)/Increase in Unsecured Loans	17,880.88	2,807.54
	(Decrease)/Increase in Shareholders Funds	(481.25)	3,601.09
	(Decrease)/Increase in Share Premium	-	27,545.15
	Interest Paid	(12,806.56)	(9,953.81)
	Net Cash from Financing Activites (C)	2,968.02	50,692.64
D.	Net Increase in Cash and Cash Equivalent (A+B+C)	(148.31)	4,028.25
	Cash and Cash Equivalent at Beginning	5,878.47	1,850.22
E.	Cash and Cash Equivalent as on 31.03.2012	5,730.16	5,878.47

As per our report attached

For and on behalf of the Board

for M/s. R.Subramanian and Company

Chartered Accountants

Firm's Registration No. 004137S

A.S. Ramanathan

Partner

Membership No. 011072

Place: Hyderabad (Camp)

Date: May 28, 2012

Y. Kamesh

Managing Director

N.C. Krishna

Chief Financial Officer

Place: Hyderabad

Date: May 28, 2012

S. Hanumantha Rao

Director

L. Narasimha Rao

Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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

2. Use of Estimates

The Preparation of financial statements, in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses for the period.

Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

3. Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4. Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

5. Revenue Recognition

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

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

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

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

6. Inventories

Cost of inventories, comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

Raw materials and work-in-progress are valued at cost using the weighted average cost method.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

7. Investments

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are stated at the lower of cost or quoted/fair value.

8. Leases

Lease arrangements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Profit and Loss account on a straight-line basis over the lease term.

9. Employee Benefits

Short term employee benefits (benefits which are repayable within twelve months after the end of the period in which the employees render service) are measured at cost and are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

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.

Other long term employee benefits (benefits which are payable after the end of twelve months from the end of the year in which the employees render service) are measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation. Actuarial gains and losses are recognized in the profit and loss account.

10. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are not provided for and are disclosed by way of notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

11. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the dates of transactions and in the case of purchase of material and sale of goods, the exchange gains/losses on the settlements during the year are changed to profit and loss account.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the date of Balance Sheet.

12. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income of the year. Deferred tax for timing differences between the income as per the financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets arising from the timing differences are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be created.

14. Impairment of Assets

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds the recoverable amount.

15. Earnings Per Share

The earnings considered in ascertaining EPS comprise the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the Period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

16. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payment. The cash flows from regular revenue generating investment and financing activities of the Company are segregated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Notes on Financial Statements

1. Contingent Liability

(Rs in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Bank Guarantees availed from Banks	9,963.85	9,135.17
Joint Corporate Guarantee executed by the Company along with Sujana Universal Industries Limited (SUIL) and Sujana Metal products Limited (SMPL) in favor of Alpha ventures Limited which is a wholly owned subsidiary of SMPL and Sujana Holdings Limited which is a Subsidiary of SUIL.	Nil	USD 2,000,000
Claims against the Company not acknowledged as Debts	-	1.71
Disputed Excise Liability not provided for	30.98	30.98
Disputed Sales tax liability for which the Company preferred an appeal	72.02	Nil

2. Capital Commitment

(Rs in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Estimated amount of contracts to be executed on capital account and not provided for	403.50	7,400
Other contracts	Nil	Nil
Total	403.50	7,400

3. Retirement Benefits

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.

(Rs in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2012	For the period ended 31.03.2011	For the year ended 31.03.2012	For the period ended 31.03.2011
Present value of obligations as at beginning of year	44.10	38.59	24.21	14.85
Interest Cost	3.53	4.75	1.94	1.83
Current service cost	9.25	12.74	3.25	9.36
Benefits paid	-	(0.29)	(13.98)	(8.49)
Actuarial loss/(Gain)	(5.39)	(11.69)	12.05	6.66
Present value of obligations at year end	51.49	44.10	27.46	24.21
Current Liability	2.63	6.48	-	-
Non-Current Liability	48.86	37.62	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2012	For the period ended 31.03.2011	For the year ended 31.03.2012	For the period ended 31.03.2011
Changes in the fair value of plan assets				
Fair value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain on plan assets	-	-	-	-
Fair value of plan assets at the end of year	-	-	-	-
Excess / (Shortfall) of plan assets over obligation	(51.49)	(44.10)	(27.46)	(24.21)
Amounts recognized in the Balance sheet				
Present value of obligations at the end of year	(51.49)	(44.10)	(27.46)	(24.21)
Fair value of plan assets as at the end of the year	-	-	-	-
Funded Status(Liability)	(51.49)	(44.10)	(27.46)	(24.21)
Net Liability recognized in the Balance Sheet	(51.49)	(44.10)	(27.46)	(24.21)
Net Gratuity Cost for the year ended 31.03.2012				
Current service cost	9.25	12.74	3.25	9.36
Interest Cost	3.53	4.75	1.94	1.83
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/Loss	(5.39)	(11.69)	12.05	6.66
Expense recognized in the year	7.39	5.80	17.23	17.85
Assumptions in accounting for the Gratuity Fund				
Discount Rate	8.6%	8%	8.6%	8%
Salary Escalation Rate	5%	5%	5%	5%
Expected Rate of return of plan assets	23	22	23	22

4. Segment Reporting

The Company is principally engaged in single business segment Viz., "Power and Telecom Tower", and operates in one geographical segment as per Accounting Standard 17 on 'Segment Reporting'. Accordingly no segment reporting has been made by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Lease Commitments

The Company has finance Lease agreements for vehicles, the minimum lease rental outstanding as on 31st March 2012 are as follows:

(Rs in Lakhs)

Particulars	Total Minimum Lease payments outstanding		Future Interest on Outstanding Payments		Present Value of Minimum Lease Payments	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Within one year	5.22	18.23	0.44	1.88	4.78	16.35
Latter than one year and not later than five years	1.81	7.03	0.05	0.49	1.77	6.54
Later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Total	7.03	25.26	0.49	2.36	6.54	22.89

6. Related Party Disclosure

As Per Accounting Standard -18 notified under The Companies (Accounting Standard) Rules 2006, the disclosures of transactions with related parties as follows:

S. No.	Name of the Related Party	Relationship
1	Sujana Transmissions Limited	Subsidiary Companies
2	Telesuprecon Limited	
3	Digitech Business Systems Limited	
4	STL Africa Limited	
1	Shri. S. Hanumantha Rao	Key Managerial Person
2	Shri. K. Raghavaiah	
3	Shri. Y. Kamesh	
1	Shri. A.S.Ananad Kumar	Independent and Non Executive Directors
2	Shri. M.V.Bhaskara Rao	
3	Shri. K.S. Purohit	
4	Shri. L.V. Rao	
5	Shri. A.Ratanpal, IDBI Nominee	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Transactions during the year with related parties

(Rs in Lakhs)

S. No	Nature of Transaction	Subsidiaries		Key Managerial Personnel		Total	
		For the year ended 31.03.2012	For the period ended 31.03.2011	For the year ended 31.03.2012	For the period ended 31.03.2011	For the year ended 31.03.2012	For the period ended 31.03.2011
A	Assets purchased & CWIP	-	51.56	-	-	-	51.56
B	Investment made	13,991.46	-	-	-	13,991.46	-
C	Loans given		14,068.36	-	-	-	14,068.36
D	Loans outstanding	992.01	15,509.56	-	-	992.01	15,509.56
E	Remuneration to Key Management Personnel	-	-	93.85	99.39	93.85	99.39
F	Sitting fees to Non-Executive Directors	-	-	3.46	1.70	3.46	1.70

7. Payment to Auditors

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2012	For the period ended 31.03.2011
a) Statutory Audit fees	10.00	15.00
b) Limited Reviews	2.00	3.00
c) Other Certifications	Nil	0.40
Total	12.00	18.40

8. Earnings Per Share (EPS)

Particulars	For the year ended 31.03.2012	For the period ended 31.03.2011
Profit attributable to equity shareholders -(A) (Rs in Lakhs)	6,107.77	7,855.40
Weighted average number of equity shares outstanding during the year used as a denominator for calculating EPS (B) (in No's)	514,628,682	417,131,813
Nominal value of equity shares (in Rs)	1.00	1.00
Basic earnings per share (A/B) (Rs.) #	1.18	1.88
Diluted Earnings Per share (Rs.) #	1.18	1.77

not annualized

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Value of Materials Consumed during the year

Description	For the year ended 31.03.2012			For the period ended 31.03.2011		
	Mts	(Rs. in Lakhs)	%	Mts	(Rs. in Lakhs)	%
Iron Steel						
Indigenous	22,163	7,220.82	100	51,450	12,878.07	100
Imported	-	-	-	Nil	-	-
Tower Parts						
Indigenous	37,784	13,961.47	100	131,776	28,972.12	100
Imported	-	-	-	-	-	-
Others						
Indigenous		1,981.93	100		1,154.98	100
Imported		-	-		-	-
Total		23,164.22			43,005.17	

10. Value of bought out material consumed (Rs. in Lakhs)

Description	For the year ended 31.03.2012			For the period ended 31.03.2011		
	Mts	(Rs. in Lakhs)	%	Mts	(Rs. in Lakhs)	%
Iron Steel						
Indigenous	75,773	24,001.01	100	48,303	15,142.85	100
Imported	-	-	-	-	-	-
Tower Parts						
Indigenous	266,918	115,161.68	95	156,901	77,870.79	100
Imported	17,121	5,759.98	5	-	-	-
Others						
Indigenous	3,013	4491.52	100	5,526	9,742.61	100
Imported	-	-	-	-	-	-
Total		149,414.20			102,756.25	

11. Value of Consumables, Stores and Spares consumed during the year (Rs in Lakhs)

Description	For the year ended 31.03.2012	%	For the period ended 31.03.2011	%
Consumables (Indigenous)	1,582.77	100	1,595.18	100
Consumables (Imported)	-	-	-	-
Total	1,582.77	100	1,595.18	100

12. Expenditure in foreign currency (Accrual basis) (Rs in Lakhs)

	For the year ended 31.03.2012	For the period ended 31.03.2011
Travelling Expenses	Nil	9.99
GDR Service Charges	1.75	25.07
Bank Charges for GDR Issue	Nil	21.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Investment in equity and loans in foreign currency (Rs in Lakhs)

Particulars	For the year ended 31.03.2012	For the period ended 31.03.2011
Equity	13,991.46	0.05
Loans given to Subsidiary	Nil	14,068.36

14. Earning in Foreign Currency (Cash and Accrual basis) (Rs. In Lakhs)

	For the year ended 31.03.2012	For the period ended 31.03.2011
FOB Value of Exports	6,317.59	7004.58

15. CIF value of Imports (Rs. In Lakhs)

	For the year ended 31.03.2012	For the period ended 31.03.2011
Raw Materials and Traded Goods	5,759.98	8,371.95
Stores and Spares and Consumables	Nil	Nil
Capital Goods	Nil	Nil

16. Loans and advances in the nature of Loans given to subsidiaries as per clause 32 of listing agreement

(Rs in Lakhs)

Name of the company	Balance as on		Maximum Outstanding	
	31.03.2012	31.03.2011	2011-2012	2009-2011
Telesuprecon Limited	992.01	1,518.10	992.01	1,518.10
Digitech Business Systems Limited	-	13,991.46	-	13,991.46
Sujana Transmissions Limited	-	-	-	-
STL Africa Limited	-	-	-	-

17. Few Sundry Debtors, Sundry Creditors, Loans and Advances, Unsecured Loans are subject to confirmation of balances and consequential adjustments, if any.
18. Previous years' figures have been regrouped and reclassified wherever necessary in conforming to the Current Period's classification.
19. Current year figures are not comparable with the previous period figures, as the previous period figures are for 18 months.

As per our report of even date

For and on behalf of the Board

M/s. R. SUBRAMANIAN AND COMPANY

Chartered Accountants
Firm's Registration No. 004137S

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

A.S. Ramanathan
Partner
Membership No: 011072

N.C. Krishna
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)
Date: May 28, 2012

Place: Hyderabad
Date: May 28, 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2012	As at 31 March 2011
3. Share Capital		
Authorised		
Equity shares		
940,000,000 (previous year 940,000,000) Re. 1 par value	940,000,000	940,000,000
Cumulative Redeemable Preference shares		
600,000 (previous year 6,000,000) Rs. 100 par value	60,000,000	60,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and fully Paid up		
Equity shares		
519,149,230 (previous year 491,649,230) Re. 1 fully paid up	519,149,230	491,649,230
Cumulative Redeemable Preference shares		
296,795 (previous year 296,795) - 1% Cumulative Redeemable Preference Shares Rs. 100 par value, fully paid up	29,679,500	29,679,500
Total	548,828,730	521,328,730

3.1 Share Capital (Continued)

The reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 March 2012 (in number)	As at 31 March 2011 (in number)
Shares outstanding at the beginning of the year	491,649,230	207,165,175
Shares Issued during the year	27,500,000	284,484,055
Shares bought back during the year	-	-
Shares outstanding at the end of the year	519,149,230	491,649,230

The reconciliation of the number of preference shares outstanding is set out below:

Particulars	As at 31 March 2012 (in number)	As at 31 March 2011 (in number)
Shares outstanding at the beginning of the year	296,795	296,795
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	296,795	296,795

1% Cumulative Redeemable Preference Shares (CRPS) are redeemable in 12 quarterly installments commencing from 01.10.2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The details of shareholder holding more than 5% equity shares is set below:

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yalamanchili Finance & Trading (P) Ltd	47,675,000	9	32,000,000	7
Sujana Holdings Limited	75,000,000	14	70,000,000	14
Foster Infin & Trading (P) Ltd	50,960,000	10	55,500,000	11
Sujana Finance & Trading (P) Ltd	-	-	32,311,450	7
Siva Projects Engineering & Enterprises Ltd	26,099,467	5	40,610,185	8

The details of shareholder holding more than 5% cumulative, redeemable preference shares is set below:

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Industrial Development Bank of India Ltd	296,795	100	296,795	100

Particulars	As at 31 March 2012	As at 31 March 2011
4. Reserve and Surplus		
Capital Reserves		
Opening Balance	1,166,966,581	1,166,966,581
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	1,166,966,581	1,166,966,581
Securities Premium Account		
Opening Balance	3,154,515,192	400,000,000
Add: Premium from shares issued	275,000,000	2,754,515,192
Closing Balance	3,429,515,192	3,154,515,192
Surplus balance in the statement of Profit and Loss Account		
Opening Balance	1,909,294,227	1,123,754,096
Add: Profit for the year/period	610,776,889	785,540,131
Less: Prior Period Adjustments	3,651,732	-
Less: Dividend on CRPS	347,240	-
Closing Balance	2,516,072,144	1,909,294,227
Total	7,112,553,917	6,230,776,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2012	As at 31 March 2011
5. Long term borrowings		
Secured		
Term loans		
from banks (a)	39,389,714	50,643,943
from other parties (b)	275,562,500	551,125,000
Long Term maturities of lease obligations (c)	181,362	703,083
Sub Total (i)	<u>315,133,576</u>	<u>602,472,026</u>
Unsecured		
Others (d)	1,650,000,000	-
Sub Total (ii)	<u>1,650,000,000</u>	<u>-</u>
Total (i+ii)	<u>1,965,133,576</u>	<u>602,472,026</u>
6. Deferred tax liabilities (net)		
Opening Balance	556,319,431	527,604,149
Add: On account of Depreciation	105,152,342	28,715,282
Less: On account of retirement benefits	2,561,705	-
Total	<u>658,910,068</u>	<u>556,319,431</u>
7. Other Long term liabilities		
Deferred sales tax liability (e)	30,467,152	30,467,152
	<u>30,467,152</u>	<u>30,467,152</u>

Notes :

- (a) Term loans from IDBI Bank secured by first charge on all the fixed assets excluding fixed assets of Khanapur plant, present and future and secured by personal guarantees of Promoter Directors and repayable in quarterly installments @ Rs.2,813,551/- each with a interest rate of 13.5% and repayment started from 01-07-2007 to 01-07-2016.
- (b) Term Loan from L&T Infrastructure Finance Co. Ltd secured by mortgage and charge on the fixed assets of Khanapur plant, procured out of this borrowing and second pari passu charge on the entire current assets, present and future. It is also guaranteed by Promoter Directors and repayable in quarterly installment @ Rs.55,112,500/- each with a interest rate @ 14.75% and repayment started from 01-07-2010 to 01-04-2014.
- (c) Finance lease obligations against Hypothecation of Vehicles Repayable in Monthly Installments.
- (d) Interest Free Unsecured Loans taken from others repayable on 30.09.2013.
- (e) 14 years interest free Sales Tax Deferment loan received from Government of Andhra Pradesh. Repayment Commences from March 24, 2014 based on the deferment availed in respective years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
8. Long term provisions		
Provision for employee benefits		
Gratuity	5,149,043	4,410,192
Compensated absences	2,746,488	2,421,448
Total	7,895,531	6,831,640
9. Short term borrowings		
Secured		
Working Capital demand loan from banks (a)	4,055,729,088	2,743,438,338
From Other Parties (b)	385,787,500	470,450,000
From Banks (c)	11,254,204	1,011,254,204
Bill discounting facility with financial institutions	430,653,682	492,023,386
Finance lease obligation (d)	521,721	1,822,525
Sub Total (i)	4,883,946,195	4,718,988,453
Unsecured		
Inter Corporate Deposits (e)	468,841,267	330,753,620
Sub Total (ii)	468,841,267	330,753,620
Total (i+ii)	5,352,787,462	5,049,742,073

Notes :

- (a) Working Capital demand loan from banks secured by way of pari passu first charge on the current assets and pari passu second charge on the fixed assets of the Company both present and future and further secured by the personal guarantee of Promoter Directors of the Company. Default of SICOM Short Term Loan for an amount of Rs. 11,93,44,015/- from last 9 months upto 31.03.2012.
- (b) Term Loan taken from L & T Infrastructure Finance Co. Ltd secured by first charge on all the fixed assets, present and future and secured by personal guarantees of Promoter Directors. The Default arising from last three quarters for an amount of Rs.16,53,37,500/- upto 31.03.2012.
- (c) Term loans from IDBI Bank secured by first charge on all the fixed assets excluding fixed assets of Khanapur plant, present and future and secured by personal guarantees of Promoter Directors.
- (d) Finance lease obligations secured by the assets purchased out of the said loan.
- (e) Inter corporate deposits taken from various Companies and the amount defaulted is Rs. 4,95,00,000/- which includes :
- (i) Aidek Property Private Limited for Rs. 50,00,000/- for a period of 7 months.
 - (ii) Bhiragacha Finance Company Pvt. Ltd for Rs. 1,50,00,000/- for a period of 3 months.
 - (iii) Gateway Leasing Pvt. Ltd for Rs. 1,00,00,000/- for a period of 6 months.
 - (iv) Nalikul Private Limited for Rs. 25,00,000/- for a period of 9 months.
 - (v) Spectrum Trimplex Pvt. Ltd for Rs. 70,00,000/- for a period of 3 months and
 - (vi) Zenith Infotech Limited for Rs. 1,00,00,000/- for a period of 8 months.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
10. Trade payables		
Trade Payables		
- due to micro and small enterprises	-	-
- others creditors	3,887,404,650	2,801,523,387
Total	3,887,404,650	2,801,523,387
11. Other Current Liabilities		
Interest accrued and due on borrowings	142,382,260	40,124,184
Advances from customers	264,211,469	254,562,937
Due to Statutory authorities	17,550,143	7,278,236
Other current liabilities	151,856,967	87,608,076
Total	576,000,839	389,573,433
12. Short term provisions		
Others (Specify nature)		
Provision for taxation	562,731,969	328,709,317
Provision for Fringe Benefit Tax	1,069,985	1,069,985
Provision for bonus	2,552,281	2,181,832
Total	568,027,978	333,287,637

NOTES FORMING PART OF THE FINANCIAL STATEMENTS										
(in Rupees)										
Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening Gross Block as at 01.04.2011	Additions during the year	Deletions during the year	Closing Gross Block as at 31.3.2012	Acc. Dep. As on 01.04.2011	Depreciation for the year	Depreciation withdrawn on deletions	Acc. Dep. As on 31.03.2012	Net Block as at 31.03.2012	Net Block as at 31.03.2011
Freehold Land	186,883,811	-	-	186,883,811	-	-	-	-	186,883,811	186,883,811
Building	341,904,760	5,061,112	-	346,965,872	20,283,820	11,431,779	-	31,715,599	315,250,273	321,620,940
Plant & Machinery	3,461,730,480	958,444,541	144,720,000	4,275,455,021	788,078,913	178,870,757	21,501,024	945,448,646	3,330,006,375	2,673,651,567
Workshop Equipments	723,410	-	-	723,410	261,403	34,362	-	295,765	427,645	462,007
Weighing Machine	1,133,871	-	-	1,133,871	529,757	53,859	-	583,616	550,255	604,114
Electrical Installations	17,131,890	340,078	-	17,471,968	3,926,313	828,566	-	4,754,879	12,717,089	13,205,577
Furniture & Fixtures	3,209,131	19,519	-	3,228,650	745,739	203,658	-	949,397	2,279,253	2,463,392
Office Equipments	4,154,168	336,012	-	4,490,180	819,354	203,409	-	1,022,763	3,467,417	3,334,814
Vehicles	19,210,258	1,670,996	-	20,881,254	8,065,688	1,902,367	-	9,968,055	10,913,199	11,144,570
Computer Software	-	1,319,280	-	1,319,280	-	198,756	-	198,756	1,120,524	-
Computers	9,987,161	280,925	-	10,268,086	6,655,334	1,546,934	-	8,202,268	2,065,818	3,331,827
Total	4,046,068,940	967,472,463	144,720,000	4,868,821,403	829,366,321	195,274,446	21,501,024	1,003,139,743	3,865,681,660	3,216,702,619

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
14. Non Current investments		
Investment in Subsidiaries - Equity instruments- Unquoted		
23,32,04,400 (Previous Year 39,000) Equity Shares of HKD 1 each fully paid in Digitech Business Systems Limited	1,399,346,878	200,478
510 (Previous Year 510) Equity Shares of USD 1 each fully paid in Telesupricon Limited	22,001	22,001
49,400 (Previous year 49,400) Equity shares of Rs. 10 each fully paid in Sujana Transmissions Limited	494,000	494,000
116 (Previous Year 116) Equity shares of USD 1 each fully paid in STL Africa Limited	5,179	5,179
Less - Provision for diminution in value	-	-
Total	1,399,868,058	721,658
15. Long term loans and advances		
Capital Advances for purchase of fixed assets		
Secured, considered good	500,982,255	431,418,647
Doubtful	-	-
Less: Provision for doubtful advances	-	-
Sub Total (i)	500,982,255	431,418,647
Loans and advances to related parties		
Secured, considered good	99,200,654	1,550,956,400
Less: Provision for doubtful loans and advances	-	-
Sub Total (ii)	99,200,654	1,550,956,400
Other loans and advances		
Advance for business Acquisition	109,537,771	109,537,771
Sub Total (iii)	109,537,771	109,537,771
Total (i+ii+iii)	709,720,680	2,091,912,818

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
16. Inventories		
Raw Materials and components (Raw material is valued at cost using the weighted average cost method)	98,972,968	99,425,077
Sub Total (i)	98,972,968	99,425,077
Work-in-progress (Work-in-progress is valued at cost using the weighted average cost method)	364,529,269	456,635,428
Sub Total (ii)	364,529,269	456,635,428
Finished goods	9,531,549	76,858,788
Goods-in transit (Finished goods are valued at cost or net realisable value whichever is less)	1,499,225,539	961,358,383
Sub Total (iii)	1,508,757,088	1,038,217,171
Stores and spares (Stores and spares are carried at cost,ascertained on weighted average basis)	97,727,846	74,672,306
Sub Total (iv)	97,727,846	74,672,306
Total (i+ii+iii+iv)	2,069,987,170	1,668,949,982
17. Trade receivables		
Unsecured		
Debts outstanding for period exceeding six months		
Considered Good	817,430,591	204,521,442
Considered Doubtful	-	-
Other debts		
Considered Good	9,871,701,800	6,164,195,773
Considered Doubtful	-	-
Less: Provision for doubtful debts	23,735,596	-
Total	10,665,396,795	6,368,717,215
18. Cash and cash equivalents		
Cash and Cash Equivalents		
Cash on hand	1,999,342	3,875,059
Balance with banks in Current Accounts	34,116,779	106,996,628
Sub Total (i)	36,116,120	110,871,687
Other Bank Balances		
Margin money	536,899,897	476,975,172
Sub Total (ii)	536,899,897	476,975,172
Total (i+ii)	573,016,017	587,846,859

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
19 Short term loans and advances		
Loans and advances to related parties		
Secured Considered good	2,554,934	2,704,274
Sub Total (i)	2,554,934	2,704,274
Others		
Advance to suppliers	891,673,701	2,480,914,544
Deposits with Govt Authorities	126,392,304	108,099,168
Margin money with parties	4,970,168	20,914,803
Advance for expenses	3,100,011	32,132,570
Other Deposits	385,606,697	10,698,648
Employee Advances	3,167,156	4,322,992
Sub Total (ii)	1,414,910,037	2,657,082,725
Total (i+ii)	1,417,464,971	2,659,786,999
20. Other current assets		
Interest accrued	6,874,550	3,308,358
Total	6,874,550	3,308,358
21. Other operating revenues		
Sale of scrap arising from manufacturing process	-	-
Others	70,353,817	31,115,559
Total	70,353,817	31,115,559
22. Other income		
Interest income	38,130,726	12,103,811
Foreign Exchange Fluctuation	110,398,789	-
Total	148,529,515	12,103,811

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	For the year ended 31.03.2012	For the period ended 31.03.2011
23. Cost of material consumed		
Opening stock	63,979,673	6,945,338
Add: Purchases	2,237,168,061	3,545,361,454
Add/(Less) Raw material received (transferred)	-	-
Less: Closing stock	41,295,030	63,979,673
Raw materials and packing materials consumed	<u>2,259,852,704</u>	<u>3,488,327,119</u>
24. Purchase of stock-in-trade		
Opening stock	35,445,404	19,509,389
Add: Purchases	14,997,989,231	11,068,305,298
Add/(Less) Raw material received (transferred)	-	-
Less: Closing stock	57,677,938	35,445,404
Stock-in-trade materials consumed	<u>14,975,756,697</u>	<u>11,052,369,283</u>
25. Change in inventory of finished goods, work-in-progress and stock in trade		
Opening stock		
Finished goods	76,858,788	62,998,929
Work-in-progress	456,635,428	243,343,271
Sub Total (i)	<u>533,494,216</u>	<u>306,342,200</u>
Less: Closing stock		
Finished goods	9,531,549	76,858,788
Work-in-progress	364,529,269	456,635,428
Sub Total (ii)	<u>374,060,818</u>	<u>533,494,216</u>
Total (i-ii)	<u>159,433,398</u>	<u>(227,152,016)</u>
26. Employee benefits expense		
Salaries and wages	88,151,602	103,720,315
Contribution to provident fund and other funds	2,734,865	4,420,915
Workmen and staff welfare expenses	1,841,138	3,675,536
Directors remuneration	4,115,320	9,911,050
Total	<u>96,842,925</u>	<u>121,727,816</u>
27. Finance Cost		
Interest on working capital loans and finance charges	572,559,589	652,772,487
Interest expenses on term loans	610,865,763	270,382,781
Other borrowing costs	138,991,687	72,226,187
Total	<u>1,322,417,038</u>	<u>995,381,455</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(In Rupees)

Particulars	For the year ended 31.03.2012	For the period ended 31.03.2011
28. Other expense		
Consumption of stores, loose tools and spare parts	306,286,331	387,959,537
Power and fuel	62,812,016	105,833,365
Repairs and maintenance:		
- buildings	616,180	1,092,315
- plant and machinery	1,152,788	4,042,451
- Factory maintenance & others	10,086,608	10,887,462
Rates and taxes, excluding, taxes on income	10,127,667	16,001,090
Insurance	3,996,917	4,905,229
Traveling and conveyance	6,332,740	9,909,158
Communication	1,780,081	2,822,557
Contract labour charges (security charges)	6,487,186	7,817,855
Legal and professional fees	95,133,238	35,326,531
Auditors' remuneration	1,927,005	1,662,221
Sales promotion and advertisement	37,154,903	42,645,017
Loss on sale of fixed assets (net)	-	41,811,158
Donations	61,450	6,350,410
Printing and stationery	1,946,549	2,664,152
Loss on foreign currency transactions	-	2,601,700
Provision for doubtful debts	23,727,596	-
Miscellaneous expenses	7,791,133	12,332,851
Total	577,430,389	696,665,059

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS	
	Registration No / Company Identification No.	CIN:L40109AP 2006PLC049743
	Balance Sheet	31.03.2012
II	CAPITAL RAISED DURING THE YEAR	
	Public Issue	NIL
	Share warrants exercised	2,75,00,000
	Bonus Issue	NIL
	Private Placement	NIL
III	POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS	
		(Rs. in Lakhs)
	Total Equity and Liabilities	207,080.10
	Total Assets	207,080.10
	Equity and Liabilities	
	Share Capital	5488.29
	Reserves & Surplus	71,125.24
	Deferred Tax Liability	6,589.10
	Long term borrowings	19,956.01
	Short term borrowings	53,527.87
	Current Liabilities and Provisions	11,519.24
	Application of Funds	
	Net Fixed Assets	38,656.82
	Non Current Investments	13,998.68
	Current Assets	154,424.60
IV	PERFORMANCE OF THE COMPANY	
	Total Income	205,613.98
	Total Expenditure	195,870.08
	Profit Before Tax	9,743.90
	Profit After Tax	6,107.77
	Earnings per Share in Rs.	
	Basic	1.18
	Diluted	1.18
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)	
	PRODUCT DESCRIPTION	STEEL ANGLES, SHAPES & U,I,H, L&T SECTIONS
	ITEM CODE (IT CODE NO.)	72161000
	PRODUCT DESCRIPTION	GALVANISED STEEL PRODUCTS

Consolidated Accounts for the Period Ended 31.03.2012

INTENTIONALLY KEPT BLANK

AUDITORS' REPORT

To The Board of Directors of
M/s. SUJANA TOWERS LIMITED

1. We have audited the attached Consolidated Balance sheet of M/s. Sujana Towers Limited (the Company and its subsidiaries constitute "The Group") as at 31st March 2012, and also the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the period ended on that date both annexed thereto. These financial statements have been approved by the Board of Directors of the Company. These Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) The financial statements of wholly owned overseas subsidiary M/s Digitech Business Systems Limited whose financial statements reflect total assets (net) of Rs. 15313.91 lakhs as at 31st March, 2012, total revenue of Rs. 11,937.11 lakhs and net cash flows amounting to Rs. 70.25 lakhs have been audited by auditor in the respective country. Our report is based on the audited financial statements for the 12 months ended 31st March 2012 with the report furnished by the overseas auditor.
(b) The financial statements of subsidiaries M/s Sujana Transmissions Limited, M/s STL Africa and M/s Telesuprecon Limited whose financial statements reflect total assets (net) of Rs. 5640.31 lakhs as at 31st March, 2012, total revenue of Rs. 19,124.79 lakhs and net cash flows amounting to Rs. 5218.77 lakhs have not been audited by auditor in the respective country.
4. Subject to the matters referred to in paragraphs 3 (a) and 3 (b) above:
 - a. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006.
 - b. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance sheet, of the state of affairs of the Group as at March 31, 2012.
 - ii. in the case of the Consolidated Profit & Loss Account, of the profit of the Group for the period ended on that date.
 - iii. in the case of consolidated cash flow statement, of the cash flows of the Group for the period ended on that date.

For R.SUBRAMANAIN AND COMPANY
CHARTERED ACCOUNTANTS
(Reg No. 004137S)

A. S. RAMANATHAN

Partner

Membership No. 011072

Place : Hyderabad (Camp)
Date : May 28, 2012

CONSOLIDATED BALANCE SHEET AS AT 31.03.2012

(In Rupees)

PARTICULARS	Note	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	548,828,730	521,328,730
Reserves and surplus	4	7,917,982,915	6,313,392,052
Money received against share warrants		-	75,625,000
Non-Current Liabilities			
Long-term borrowings	5	2,581,554,158	1,149,907,741
Deferred tax liabilities (net)	6	648,803,666	556,319,431
Other long term liabilities	7	30,467,152	30,467,152
Long term provisions	8	7,895,531	6,831,640
Current liabilities			
Short-term borrowings	9	5,357,009,014	5,134,760,391
Trade payables	10	7,055,328,303	3,545,802,852
Other current liabilities	11	579,753,573	447,218,176
Short term provisions	12	574,647,654	338,092,752
		<u>25,302,270,697</u>	<u>18,119,745,916</u>
ASSETS			
Non current assets			
Fixed assets			
Tangible	13	3,915,772,167	3,325,638,149
Intangible		1,120,524	-
Long term loans and advances	14	610,520,026	574,524,172
Current assets			
Inventories	15	2,080,161,170	1,681,420,147
Trade receivables	16	16,535,307,089	9,273,148,488
Cash and cash equivalents	17	602,975,630	618,768,880
Short term loan and advances	18	1,549,539,540	2,642,786,170
Other current assets	19	6,874,550	3,459,910
		<u>25,302,270,697</u>	<u>18,119,745,916</u>

Significant accounting policies & Notes to accounts Note 1 & 2

As per our report attached

for **M/s. R.Subramanian and Company**

Chartered Accountants

Firm's registration no. 004137S

A.S. Ramanathan

Partner

Membership No. 011072

Place: Hyderabad (Camp)

Date: May 28, 2012

For and on behalf of the Board

Y. Kamesh

Managing Director

S. Hanumantha Rao

Director

N.C. Krishna

Chief Financial Officer

L. Narsimha Rao

Company Secretary

Place: Hyderabad

Date: May 28, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

(In Rupees)

PARTICULARS	Note	FOR THE YEAR ENDED 31.03.12 (12 MONTHS)	FOR THE PERIOD ENDED 31.03.11 (18 MONTHS)
Revenue from operations			
a) Sale of Products		23,704,807,057	20,719,752,731
b) Other operating revenues	20	185,374,927	31,930,981
Less: Excise Duty		256,103,209	483,356,043
Total revenue from operations		23,634,078,776	20,268,327,669
Other income	21	38,130,810	12,103,854
Total Revenue		23,672,209,586	20,280,431,524
Expenses			
Cost of materials consumed	22	2,259,852,704	3,488,327,119
Purchases of Stock-in-Trade	23	17,604,830,819	13,462,502,164
Change in inventory of finished goods, work-in-progress and stock-in-trade	24	137,200,864	(262,597,420)
Employee benefits expense	25	103,136,929	143,694,965
Finance costs	26	1,323,621,182	1,142,494,792
Depreciation and amortisation expense	13	205,299,854	267,910,833
Other expenses	27	592,723,013	751,748,772
Total expenses		22,226,665,366	18,994,081,226
Profit before exceptional and extraordinary items and tax		1,445,544,220	1,286,350,298
Tax expense			
Current tax		259,634,412	329,382,911
Deferred tax charge		102,590,637	28,715,282
Profit for the year/ period after tax		1,083,319,171	928,252,105
Earning Per Share			
Basic		2.10	2.22
Diluted		2.10	2.09
Number of shares used in computing earnings per share			
Basic		514,628,682	417,131,813
Diluted		514,628,682	444,631,813
Significant accounting policies & Notes to accounts	1 & 2		

As per our report attached

for M/s. R.Subramanian and Company

Chartered Accountants

Firm's registration no. 004137S

A.S. Ramanathan

Partner

Membership No. 011072

Place: Hyderabad (Camp)

Date: May 28, 2012

For and on behalf of the Board

Y. Kamesh

Managing Director

S. Hanumantha Rao

Director

N.C. Krishna

Chief Financial Officer

L. Narsimha Rao

Company Secretary

Place: Hyderabad

Date: May 28, 2012

SUJANA TOWERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2012		Rs in lakhs	
		For the period ended 31.03.2012	For the period ended 31.03.2011
A.	Cash Flow from Operating Activities		
	Net Profit after Tax	11,381.10	10,921.49
	Adjusted for Depreciation	2,053.00	2,679.11
	Dividend & Distribution Tax	3.47	5.21
	Provision for Gratuity and Earned Leave	10.64	
	Loss on Sale of Fixed Assets	-	418.11
	Financial Charges	13,236.21	11,424.95
	Interest Earned & Other Income	(2,235.06)	(440.35)
	Operating Profit before Working Capital Changes	24,449.36	25,008.52
	Adjusted for		
	Decrease/(Increase) in Inventories	(3,987.41)	(12,840.98)
	Decrease/(Increase) in Debtors	(72,621.59)	(71,094.44)
	Decrease/(Increase) in Loans and Advances	(6,128.29)	(18,181.01)
	(Decrease)/Increase in Current Liabilities	55,675.17	36,313.45
	Cash generated from Operations	(2,612.75)	(40,794.46)
	Other Income	1,853.75	319.31
	Taxes Paid	270.00	177.43
	Cash from Operating Activities (A)	(489.00)	(40,297.72)
B.	Cash Flow from Investing Activities		
	(Increase) in Fixed Assets	(9,709.91)	(10,418.45)
	Sale of Fixed Assets	1,744.36	821.77
	(Increase)/Decrease in Capital Work-in-Progress	(0.00)	3,989.58
	Increase in Investments	-	-
	Interest received	381.31	121.04
	Cash used in Investing Activities (B)	(7,584.24)	(5,486.06)
C.	Cash Flow from Financial Activities		
	(Decrease)/Increase in Long Term Borrowings	(1,743.17)	32,805.71
	(Decrease)/Increase in Unsecured Loans	17,880.88	(2,162.17)
	(Decrease)/Increase in Shareholders Funds	275.00	3,601.09
	(Decrease)/Increase in Share Premium and Capital Reserves	4,661.34	27,043.39
	Interest Paid	(13,158.74)	(11,424.95)
	Net Cash from Financing Activities (C)	7,915.30	49,863.08
D.	Net Increase in Cash and Cash Equilant (A+B+C)	(157.93)	4,079.30
	Cash and Cash Equilant at Beginning	6,187.69	2,108.39
E.	Cash and Cash Equilant as on 31.03.11.	6,029.76	6,187.69

As per our report attached

for M/s R. Subramanian and Company

Chartered Accountants

Firm's Registration No. 004137S

A.S. Ramanathan

Partner

Membership No. 011072

Place: Hyderabad (Camp)

Date: May 28, 2012

For and on behalf of the Board

Y. Kamesh

Managing Director

N.C. Krishna

Chief Financial Officer

Place: Hyderabad

Date: May 28, 2012

S. Hanumantha Rao

Director

L. Narasimha Rao

Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

1. Basis of Preparation of Consolidated Financial statements

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

The Consolidated financial statements of Sujana Towers Limited together with its subsidiaries are prepared under the historical cost convention on accrual basis of accounting and in accordance with the generally accepted accounting principles in India.

2. Use of Estimates

The Preparation of consolidated financial statements, in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses for the period.

Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

3. Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4. Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization.

5. Depreciation and Amortization

Depreciation on fixed assets is provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956 in respect of Sujana Towers Ltd., and on Written Down Value Method in respect of Telesuprecon Ltd., at the rates as expected by the management after considering the useful life of the assets.

6. Inventories

Items of Inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on Weighted Average basis. Work-in-process includes material cost and applicable direct overheads. Finished goods are valued at the aggregate of material cost and applicable direct and indirect overheads or market value whichever is lower.

7. Investments

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment. However there are no investments.

8. Leases

Lease arrangements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Profit and Loss account on a Straight Line basis over the lease term.

9. Employee Benefits

- a. Short term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.
- b.
 - i) The Company's contribution to provident fund is recognized on accrual basis.
 - ii) Gratuity and Leave Encashment liability is provided on the basis of an actuarial valuation carried out at the end of each financial year.

10. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are not provided for and are disclosed by way of notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

11. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are translated at the period end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense.

12. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale.

13. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income of the year. Deferred tax for timing differences between the income as per the financial statement and income as per the Income tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets arising from the timing differences are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be created.

14. Impairment of Assets

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds the recoverable amount.

15. Earnings Per Share

The earnings considered in ascertaining EPS comprise the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

16. Consolidated Cash Flow Statement

Consolidated cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payment. The consolidated cash flows from regular revenue generating investment and financing activities of the Company are segregated.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Notes on Consolidated Financial Statements

1. Principles of Consolidation

The consolidated financial statements relate to Sujana Towers Limited (“the Company”) and its Subsidiary Companies. The consolidated financial statements have been prepared on the following basis.

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

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

The financial statements of Subsidiaries used in the consolidation are drawn up to the same reporting dates as that of the Company. i.e. March 31, 2012

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

Name of the Consolidated Entities	Country of Incorporation	Nature of Interest	% of Interest
Telesuprecon Limited	Mauritius	Subsidiary	51
Digitech Business Systems Limited	Hong Kong	Subsidiary	100
Sujana Transmissions Limited	India	Subsidiary	99
STL Africa Limited	Mauritius	Subsidiary	100

2. In respect of Telesuprecon Limited, Sujana Transmission Limited and STL Africa Limited, the consolidation has been made on the basis of accounts compiled by the Management.

3. Contingent Liability

(Rs in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Bank Guarantees availed from Banks	9,963.85	9,135.17
Joint Corporate Guarantee executed by the Company along with Sujana Universal Industries Limited (SUIL) and Sujana Metal products Limited (SMPL) in favor of Alpha ventures Limited which is a wholly owned subsidiary of SMPL and Sujana Holdings Limited which is a Subsidiary of SUIL.	Nil	USD 2,000,000
Claims against the Company not acknowledged as Debts	-	1.71
Disputed Excise Liability not provided for	30.98	30.98
Disputed Sales tax liability for which the Company preferred an appeal	72.02	Nil

4. Capital Commitments

(Rs in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Estimated amount of contracts to be executed on capital account and not provided for	403.50	7,400
Other contracts	Nil	Nil
Total	403.50	7,400

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. Retirement Benefits

Gratuity is an 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.

(Rs in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2012	For the period ended 31.03.2011	For the year ended 31.03.2012	For the period ended 31.03.2011
Present value of obligations as at beginning of year	44.10	38.59	24.21	14.85
Interest Cost	3.53	4.75	1.94	1.83
Current service cost	9.25	12.74	3.25	9.36
Benefits paid	-	(0.29)	(13.98)	(8.49)
Actuarial Loss/(Gain)	(5.39)	(11.69)	12.05	6.66
Present value of obligations at year end	51.49	44.10	27.46	24.21
Current Liability	2.63	6.48	-	-
Non-Current Liability	48.86	37.62	-	-
Changes in the fair value of plan assets:				
Fair value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain on plan assets	-	-	-	-
Fair value of plan assets at the end of year	-	-	-	-
Excess / (Shortfall) of plan assets over obligation	(51.49)	(44.10)	(27.46)	24.21
Amounts recognized in the Balance sheet				
Present value of obligations at the end of year	(51.49)	(44.10)	(27.46)	(24.21)
Fair value of plan assets as at the end of the year	-	-	-	-
Funded Status(Liability)	(51.49)	(44.10)	(27.46)	(24.21)
Net Liability recognized in the Balance Sheet	(51.49)	(44.10)	(27.46)	(24.21)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2012	For the period ended 31.03.2011	For the year ended 31.03.2012	For the period ended 31.03.2011
Net Gratuity Cost for the year ended 31.03.2012				
Current service cost	9.25	12.74	3.25	9.36
Interest Cost	3.53	4.75	1.94	1.83
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/Loss	(5.39)	(11.69)	12.05	6.66
Expense recognized in the year	7.39	5.80	17.23	17.85
Assumptions in accounting for the Gratuity Fund				
Discount Rate	8.6%	8%	8.6%	8%
Salary Escalation Rate	5%	5%	5%	5%
Expected Rate of return of plan assets	23	22	23	22

6. Segment Reporting

Segments are identified in line with AS 17 “Segment Reporting”, taking into consideration the internal organization and management structure as well as the different risk and returns of the segment.

- The group is principally engaged in single business segment Viz., “Power and Telecom Towers” and has been considered as the only reportable segment and hence no separate financial disclosure provided in respect of its single business segment.
- The Company operates in different geographical locations. However each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) “India”, (b) Mauritius “(c) “Hong Kong”.

Financial information as required in respect of operating and reportable segments is as given below.

(Rs in Lakhs)

Particulars	India	Mauritius	Hongkong	Consolidated
External Sales	203,425.14	19,124.79	11,937.11	234,487.04
Inter Segment Sales	-	-	-	-
Total Revenue	203,425.14	19,124.79	11,937.11	234,487.04
Results				
Segment Results	20,779.24	4,592.81	84.54	25,456.60
Interest Expense	-	-	-	13,236.21
Other Income	-	-	-	2,235.06
Income tax	-	-	-	3,622.25
Minority Interest	-	-	-	271.58
Profit for the period	-	-	-	10,561.61

SUJANA TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. Related Party Disclosure

As Per Accounting Standard -18 issued u/s 211(3)(c) of the Companies Act, 1956, the disclosures of transactions with related parties as defined in the Accounting Standard are given below :

S. No.	Name of the Related Party	Relationship
1	Sujana Transmissions Limited	Subsidiary Companies
2	Telesuprecon Limited	
3	Digitech Business Systems Limited	
4	STL Africa Limited	
1	Shri. Hanumantha Rao	Key Managerial Person
2	Shri. K. Raghavaiah	
3	Shri. Y. Kamesh	
1	Shri. A.S.Ananad Kumar	Independent and Non Executive Directors
2	Shri. M.V.Bhaskara Rao	
3	Shri. K.S. Purohit	
4	Shri. L.V. Rao	
5	Shri. A.Ratanpal, IDBI Nominee	

8. Earnings Per Share (EPS)

Particulars	For the year ended 31.03.2012	For the period ended 31.03.2011
Profit attributable to equity shareholders -(A) (In Rs)	1083,319,171	928,252,106
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B) (In No's)	514,628,682	417,131,813
Nominal value of equity shares (In Rs.)	1.00	1.00
Basic earnings per share (A/B) (In Rs.) #	2.10	2.22
Diluted Earnings Per share (In Rs.) #	2.10	2.09

not annualized

- The provision for Current Tax, Deferred Tax, and Fringe Benefit Tax has been made based on the computation of Income prepared by the Company.
- Previous Period figures have been regrouped and reclassified wherever necessary in conforming to the current Period's classification.
- Current year figures are not comparable with the previous period figures, as the previous period figures are for 18 months.

As per our report of even date

For and on behalf of the Board

M/s. R. SUBRAMANIAN AND COMPANY

Chartered Accountants
Firm's Registration No. 004137S

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

A.S. Ramanathan
Partner
Membership No: 011072

N.C. Krishna
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)
Date: May 28, 2012

Place: Hyderabad
Date: May 28, 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2012
3. Share Capital		
Authorised		
Equity shares		
940,000,000 (previous year 940,000,000) Re. 1 par value	940,000,000	940,000,000
Cumulative Redeemable Preference shares		
600,000 (previous year 6,000,000) Rs. 100 par value	60,000,000	60,000,000
Total	1,000,000,000	1,000,000,000
Issued, Subscribed and fully Paid up		
Equity shares		
519,149,230 (previous year 491,649,230) Re. 1 fully paid up	519,149,230	491,649,230
Cumulative Redeemable Preference shares		
296,795 (previous year. 296,795) - 1% Cumulative Redeemable Preference Shares Rs. 100 par value, fully paid up	29,679,500	29,679,500
Total	548,828,730	521,328,730

The reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 March 2012 (in number)	As at 31 March 2012 (in number)
3.1 Share capital (continued)		
Shares outstanding at the beginning of the year	491,649,230	207,165,175
Shares Issued during the year	27,500,000	284,484,055
Shares bought back during the year	-	-
Shares outstanding at the end of the year	519,149,230	491,649,230
The reconciliation of the number of preference shares outstanding is set out below:		
Shares outstanding at the beginning of the year	296,795	296,795
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	296,795	296,795

1% Cumulative Redeemable Preference Shares (CRPS) are redeemable in 12 quarterly installments commencing from 01.10.2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The details of shareholders holding more than 5% equity shares is set below:

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yalamanchili Finance & Trading (P) Ltd	47,675,000	9	32,000,000	7
Sujana Holdings Limited	75,000,000	14	70,000,000	14
Foster Infin & Trading (P) Ltd	50,960,000	10	55,500,000	11
Sujana Finance & Trading (P) Ltd	-	-	32,311,450	7
Siva Projects Engineering & Enterprises Ltd	26,099,467	5	40,610,185	8

The details of shareholder holding more than 5% cumulative, redeemable preference shares is set below:

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Industrial Development Bank of India Ltd	296,795	100	296,795	100

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
4. Reserve and Surplus		
Capital Reserves		
Opening Balance	1,173,677,042	1,177,384,242
Additions	-	-
(Deductions)	-	(3,707,200)
Closing Balance	<u>1,173,677,042</u>	<u>1,173,677,042</u>
Securities Premium Account		
Opening Balance	3,154,515,192	400,000,000
Add: Amount Transferred	275,000,000	2,754,515,192
Less: Amount utilised	-	-
Closing Balance	<u>3,429,515,192</u>	<u>3,154,515,192</u>
Foreign Currency Translation Reserve		
Opening Balance	(43,115,002)	3,353,525
Additions/Deletions	191,133,810	(46,468,527)
Closing Balance	<u>148,018,807.83</u>	<u>(43,115,002)</u>
Surplus balance in the statement of profit and loss account		
Opening Balance	2,028,314,820	936,165,672
Add: Profit for the year/period	1,138,457,053	1,092,149,147
Less: Amount utilised	-	-
Transfer to capital reserves, Capital redemption reserve and other reserves	-	-
Closing Balance	<u>3,166,771,873</u>	<u>2,028,314,820</u>
Total	<u>7,917,982,915</u>	<u>6,313,392,052</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
5. Long term borrowings		
Secured		
Term loans		
from banks (a)	39,389,714	50,643,943
from other parties (b)	275,562,500	551,125,000
Long term maturities of lease obligations (c)	181,362	703,083
Sub Total (i)	315,133,576	602,472,026
Unsecured		
Others (d)	2,266,420,582	547,435,715
Sub Total (ii)	2,266,420,582	547,435,715
Total (i+ii)	2,581,554,158	1,149,907,741
6. Deferred tax liabilities (net)		
Opening Balance	556,319,431	527,604,149
Add: On account of timing differences relating to depreciation on FA	105,152,342	28,715,282
Less: On account of timing differences relating to retirement benefits	12,668,107	-
Total	648,803,666	556,319,431
7. Other Long term liabilities		
Deferred sales tax liability (e)	30,467,152	30,467,152
	30,467,152	30,467,152

Notes :

- (a) Term loans from IDBI Bank secured by first charge on all the fixed assets excluding fixed assets of Khanapur plant, present and future and secured by personal guarantees of Promoter Directors and repayable in quarterly installments @ Rs.2,813,551/- each with a interest rate of 13.5% and repayment started from 01-07-2007 to 01-07-2016.
- (b) Term Loan from L&T Infrastructure Finance Co. Ltd secured by mortgage and charge on the fixed assets of Khanapur plant, procured out of this borrowing and second pari passu charge on the entire current assets, present and future. It is also guaranteed by Promoter Directors and repayable in quarterly installment @ Rs.55,112,500/- each with a interest rate @ 14.75% and repayment started from 01-07-2010 to 01-04-2014.
- (c) Finance lease obligations against Hypothecation of Vehicles Repayable in Monthly Installments.
- (d) Interest Free Unsecured Loans taken from others repayable on 30.09.2013.
- (e) 14 years interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment Commences from March 24, 2014 based on the deferment availed in respective years.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
8. Long term provisions		
Provision for employee benefits		
Gratuity	5,149,043	4,410,192
Compensated absences	2,746,488	2,421,448
Total	7,895,531	6,831,640
9. Short term borrowings		
Secured		
Working capital demand loan from banks (a)	4,059,950,641	2,868,580,840
From Other Parties (b)	385,787,500	470,450,000
From Banks (c)	11,254,204	971,130,020
Bill discounting facility with financial institutions	430,653,682	492,023,386
Finance lease obligation (d)	521,721	1,822,525
Sub total (i)	4,888,167,747	4,804,006,771
Unsecured		
Inter Corporate Deposits (e)	468,841,267	330,753,620
Sub total (ii)	468,841,267	330,753,620
Total (i+ii)	5,357,009,014	5,134,760,391

Notes :

- (a) Working Capital demand loan from banks secured by way of pari passu first charge on the current assets and pari passu second charge on the fixed assets of the Company both present and future and further secured by the personal guarantee of Promoter Directors of the Company. Default of SICOM Short Term Loan for an amount of Rs. 11,93,44,015/- from last 9 months upto 31.03.2012.
- (b) Term Loan taken from L & T Infrastructure Finance Co. Ltd secured by first charge on all the fixed assets, present and future and secured by personal guarantees of Promoter Directors. The Default arising from last three quarters for an amount of Rs.16,53,37,500/- upto 31.03.2012.
- (c) Term loans from IDBI Bank secured by first charge on all the fixed assets excluding fixed assets of Khanapur plant, present and future and secured by personal guarantees of Promoter Directors.
- (d) Finance lease obligations secured by the assets purchased out of the said loan.
- (e) Inter corporate deposits taken from various Companies and the amount defaulted is Rs. 4,95,00,000/- which includes :
- (i) Aidek Property Private Limited for Rs. 50,00,000/- for a period of 7 months.
 - (ii) Bhiragacha Finance Company Pvt. Ltd for Rs. 1,50,00,000/- for a period of 3 months.
 - (iii) Gateway Leasing Pvt. Ltd for Rs. 1,00,00,000/- for a period of 6 months.
 - (iv) Nalikul Private Limited for Rs. 25,00,000/- for a period of 9 months.
 - (v) Spectrum Trimpe Pvt. Ltd for Rs. 70,00,000/- for a period of 3 months and
 - (vi) Zenith Infotech Limited for Rs. 1,00,00,000/- for a period of 8 months.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
10. Trade payables		
- due to micro and small enterprises	-	-
- others creditors	7,055,328,303	3,545,802,852
- acceptances	-	-
Total	<u>7,055,328,303</u>	<u>3,545,802,852</u>
11. Other Current liabilities		
Interest accrued and due on borrowings	142,382,260	40,124,184
Advances from customers	264,211,469	254,562,937
Due to Statutory authorities	18,258,922	8,460,031
Other current liabilities	154,900,922	144,071,023
Total	<u>579,753,573</u>	<u>447,218,176</u>
12. Short term provisions		
Others		
Provision for taxation	569,351,645	333,514,431
Provision for Fringe Benefit Tax	1,069,985	1,069,985
Proposed dividends	1,673,743	1,326,503
Provision for bonus	2,552,281	2,181,832
Total	<u>574,647,654</u>	<u>338,092,751</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Fixed Assets

In Rupees

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Opening Gross Block as on 01.04.2011	Additions during the year	Deletions during the year	Closing Gross Block as on 31.3.2012	Acc. Dep. As on 01.04.2011	Depreciation for the year	Depreciation withdrawn on Deletions	Acc. Dep. As on 31.03.2012	Net Block as on 31.03.2012	Net Block as on 31.03.2011
Land	186,883,811	-	-	186,883,811	-	-	-	-	186,883,811	186,883,811
Building	341,904,760	5,061,112	-	346,965,872	20,283,820	11,431,779	-	31,715,599	315,250,273	321,620,940
Plant & Machinery	3,502,643,483	958,444,541	155,219,610	4,305,868,414	788,078,913	183,363,493	24,304,368	947,138,039	3,358,730,375	2,714,564,570
Workshop Equipments	723,410	-	-	723,410	281,403	34,362	-	295,765	427,645	462,007
Weighing Machine	1,133,871	-	-	1,133,871	529,757	53,859	-	583,616	550,255	604,114
Electrical Installations	21,021,304	2,487,967	-	23,509,271	4,675,833	1,324,752	-	6,000,585	17,508,687	16,345,471
Furniture & Fixtures	19,421,334	19,519	11,078,811	8,362,042	4,290,130	672,120	894,727	4,067,523	4,294,519	15,131,204
Office Equipments	5,203,121	1,706,176	-	6,909,297	1,021,506	398,088	20,551	1,399,043	5,510,254	4,181,615
Vehicles	98,754,554	1,670,996	36,294,532	64,131,018	40,962,567	5,773,472	5,027,813	41,708,226	22,422,791	57,791,986
Computer Software	-	1,319,280	-	1,319,280	-	198,756	-	198,756	1,120,524	-
Computers	17,767,191	280,925	2,090,624	15,957,492	9,714,761	2,049,174	-	11,763,935	4,193,557	8,052,430
Total	4,195,456,839	970,990,516	204,683,577	4,961,763,778	869,818,691	205,299,854	30,247,459	1,044,871,086	3,916,892,692	3,325,638,148

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
14 Long term loans and advances		
Capital Advances for purchase of fixed assets		
Secured, considered good	500,982,255	464,986,401
Less: Provision for doubtful advances	-	-
Sub total (i)	<u>500,982,255</u>	<u>464,986,401</u>
Other loans and advances		
Advance for business Acquisition	109,537,771	109,537,771
Sub total (ii)	<u>109,537,771</u>	<u>109,537,771</u>
Total (i+ii)	<u>610,520,026</u>	<u>574,524,172</u>
15. Inventories		
Raw Materials and components	51,469,030	76,449,837
less: provision for obsolete and slow moving	-	-
Sub total (i)	<u>51,469,030</u>	<u>76,449,837</u>
(Raw material is valued at cost using the weighted average cost method)		
Work-in-progress	364,529,269	456,635,428
less: provision for obsolete and slow moving	-	-
(Work in progress is valued at cost using the weighted average cost method)		
(Mode of valuation should be disclosed)		
Sub total (ii)	<u>364,529,269</u>	<u>456,635,428</u>
Finished goods	67,209,487	112,304,192
Goods-in-transit	1,499,225,539	961,358,383
less: provision for obsolete and slow moving	-	-
(Finished goods are valued at cost or net realisable value whichever is less)		
Sub total (iii)	<u>1,566,435,026</u>	<u>1,073,662,575</u>
Stores and spares	97,727,846	74,672,307
less: provision for obsolete and slow moving	-	-
(Stores and spares are carried at cost, ascertained on weighted average basis)		
Sub total (iv)	<u>97,727,846</u>	<u>74,672,307</u>
Total (i+ii+iii+iv)	<u>2,080,161,170</u>	<u>1,681,420,147</u>
16. Trade receivables		
Unsecured		
Debts outstanding for period exceeding six months		
Considered good	817,432,591	204,521,442
Considered doubtful	-	-
Other debts		
Considered good	15,741,612,094	9,068,627,046
Considered doubtful	-	-
Less: Provision for doubtful debts	23,737,596	-
Total	<u>16,535,307,089</u>	<u>9,273,148,488</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	As at 31 March 2012	As at 31 March 2011
17. Cash and cash equivalents		
Cash and Cash Equivalents		
Cash on hand	3,348,874	6,292,365
Balance with banks in current accounts	62,726,859	135,496,164
Sub Total (i)	66,075,733	141,788,529
Other Bank balances		
Margin money	536,899,897	476,980,351
Sub Total (ii)	536,899,897	476,980,351
Total (i+ii)	602,975,630	618,768,880
18. Short term loans and advances		
Advance to suppliers	1,023,748,269	2,466,618,080
Deposits with Govt Authorities	126,392,304	108,099,168
Margin money with parties	3,642,397	20,914,803
Advance for expenses	6,982,716	32,132,570
Other Deposits	385,606,697	10,698,648
Employee Advances	3,167,156	4,322,900
Total	1,549,539,540	2,642,786,170
19. Other current assets		
Interest accrued	6,874,550	3,459,910
Total	6,874,550	3,459,910
20. Other operating revenues		
Others	185,374,927	31,930,981
Total	185,374,927	31,930,981
21. Other income		
Interest income	38,130,810	12,103,854
Total	38,130,810	12,103,854
22. Cost of material consumed		
Raw materials and packing materials consumed		
Opening stock	63,979,673	6,945,338
Add: Purchases	2,237,168,061	3,545,361,454
Add/(Less) Raw material received (transferred)	-	-
Less: Closing stock	41,295,030	63,979,673
Raw materials consumed	2,259,852,704	3,488,327,119
23. Purchases of Stock-in-Trade		
Opening stock	12,470,164	54,555,962
Add: Purchases	17,602,534,655	13,420,416,366
Add/(Less) Raw material received (transferred)	-	-
Less: Closing stock	10,174,000	12,470,164
Stock-in-Trade materials consumed	17,604,830,819	13,462,502,164

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(In Rupees)

Particulars	For the year ended 31 March 2012	For the period ended 31 March 2011
24. Change in inventory of finished goods work-in-progress and stock in trade		
Opening stock		
Finished goods	112,304,192	62,998,929
Work-in-progress	456,635,428	243,343,271
Sub Total (i)	<u>568,939,620</u>	<u>306,342,200</u>
Less: Closing stock		
Finished goods	67,209,487	112,304,192
Work-in-progress	364,529,269	456,635,428
Sub Total (ii)	<u>431,738,756</u>	<u>568,939,620</u>
Total (i-ii)	<u>137,200,864</u>	<u>(262,597,420)</u>
25. Employee benefits expense		
Salaries and wages	94,445,606	125,687,463
Contribution to provident fund and other funds- Workmen and staff welfare expenses	2,734,865	4,420,915
Directors remuneration	1,841,138	3,675,536
	4,115,320	9,911,050
Total	<u>103,136,929</u>	<u>143,694,965</u>
26. Finance Cost		
Interest expense	572,559,589	799,704,764
Interest Expenses on Term Loans	610,865,763	270,382,781
Other borrowing costs	140,195,830	72,407,247
Total	<u>1,323,621,182</u>	<u>1,142,494,792</u>
27. Other expense		
Consumption of stores, loose tools and spare parts	308,400,231	394,571,281
Power and fuel	62,812,016	105,833,365
Repairs and maintenance:		
- buildings	616,180	1,092,315
- plant and machinery	1,152,788	4,042,451
- Factory maintenance & others	10,086,608	10,887,462
Rates and taxes, excluding, taxes on income	10,130,422	16,015,091
Insurance	3,996,917	4,905,229
Traveling and conveyance	6,332,740	9,909,158
Communication	1,783,387	2,822,557
Contract labor charges (security charges)	6,487,186	7,817,855
Legal and professional fees	95,284,821	37,114,821
Auditor's remuneration	1,957,621	1,706,697
Sales promotion and advertisement	37,779,413	49,981,213
Loss on sale of fixed assets (net)	-	41,811,158
Donations	61,450	6,350,410
Printing and stationery	1,947,829	2,665,447
Foreign exchange loss	-	2,601,700
Provision for Doubtful Debts	23,737,596	-
Miscellaneous expenses	20,155,809	51,620,562
Total	<u>592,723,013</u>	<u>751,748,772</u>

INTENTIONALLY KEPT BLANK



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

POSTAL BALLOT FORM

Sl.No. _____

Votes cast on Resolution nos 6, 7 and 8 contained in the Notice of 5th Annual General Meeting to be held on 22nd September, 2012.

1. Name(s) of Shareholder(s) : _____
 (in block letters)
 (including joint holders, if any)
2. Regd. Folio No./Client ID : _____
3. Registered address of the sole/ : _____
 First named shareholder : _____
4. Number of Shares held : _____

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

Resolution Nos	Brief Description	No. of Shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
6	Special Resolution under Section 372A of the Companies Act, 1956 to make any loan and/or to make investment and/or to give any guarantee and/or to provide security.			
7	Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956 to lease or transfer the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a).			
8	Special Resolution under Section 17 of the Companies Act, 1956 to shift the registered office of the Company from state of Andhra Pradesh to Tamilnadu.			

Place:
 Date :

(Signature of the shareholder)

SUJANA TOWERS LIMITED

Instructions

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Company in the attached self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. This form should be completed and signed by the shareholder. In case of joint holding this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
3. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on 21.09.2012. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
5. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of the notice.
6. The result of the Postal Ballot shall be declared by the Managing Director, or in his absence by any other person, so authorized by the Managing Director on the 22nd day of September, 2012 at the venue of AGM and the resolutions will be taken as passed effectively on the date of announcement of the result by the Managing Director/Authorised Person, if the results of the Postal Ballots indicate that the requisite majority of the Shareholders had assented to the resolutions. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company www.sujana.com.
7. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

CALENDAR OF EVENTS

Sl.No.	Description	Date
1.	Date of Appointment of Scrutinizer	11.08.2012
2.	Date on which consent given by the Scrutinizer to act as Scrutinizer	11.08.2012
3.	Date of Resolution of the Board of Directors, authorizing Managing Director and Company Secretary to be responsible for the entire poll process	11.08.2012
4.	Date of Dispatch of notice	21.08.2012
5.	Date of completion of Dispatch of notice along with Postal Ballot	21.08.2012
6.	Last date for receiving Postal Ballot papers by Scrutinizer	21.09.2012
7.	Date of signing of the Minutes Book by the Chairman in which the results of Ballot is recorded.	22.09.2012
8.	Date of returning the Ballot Papers, register required to be maintained by the Scrutinizer under rule 6(e) of the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 and other related papers to the Chairman by the Scrutinizer	22.09.2012
9.	Date of handing over the Ballot papers to the designated authority	22.09.2012
10.	Date of declaration of results by the Chairman/Authorised Person	22.09.2012



SUJANA TOWERS LIMITED

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

Regd Folio No./Client ID. :

No of shares held.....

PROXY FORM

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

.....being a member/members of SUJANA TOWERS LIMITED hereby appoint

Mr/Ms.....of..... or failing

him/her.....of.....as my/our proxy

to attend and vote for me/us on my/our behalf at the 5th Annual General Meeting of the Company to be held on Saturday, the 22nd day of September, 2012 at 4.00 p.m. and at any adjournment thereof.

Signed this the day of2012

Signature.....

Affix
Revenue
Stamp
Re 1.00

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

A PROXY NEED NOT BE A MEMBER



SUJANA TOWERS LIMITED

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

Regd Folio No./Client ID. :

No of shares held.....

ATTENDANCE SLIP (for 5th AGM)

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

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

I hereby record my presence at the 5th Annual General Meeting to be held on Saturday, the 22nd day of September, 2012 at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad – 500 034 at 4.00 P.M.

To be signed at the time of handing over this slip

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

PRINTED MATTER
BOOK - POST



If undelivered, please return to:

Sujana Towers Limited

Registered Office :

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

Phone: 040-23351882, 23351887

Website : www.sujana.com