



**6<sup>th</sup>** ANNUAL  
REPORT  
2012 - 2013

**Sujana Towers Limited**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>CHAIRMAN</b>	:	Shri Y.S. Chowdary
<b>MANAGING DIRECTOR</b>	:	Shri Y. Kamesh
<b>DIRECTORS</b>	:	Shri G. Srinivasa Raju Shri S. Hanumantha Rao Shri A.S. Anand Kumar* Shri M.V. Bhaskara Rao* Shri L.V. Rao* Shri H. Biswas, IDBI Nominee *Independent and Non-Executive Directors

<b>AUDIT COMMITTEE</b>	:	Shri A.S. Anand Kumar Shri M.V. Bhaskara Rao Shri L.V. Rao Shri S. Hanumantha Rao
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<b>MANAGEMENT COMMITTEE</b>	:	Shri Y. Kamesh Shri G. Srinivasa Raju Shri S. Hanumantha Rao Shri M.V. Bhaskara Rao
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<b>SHARE TRANSFER COMMITTEE</b>	:	Shri S. Hanumantha Rao Shri G. Srinivasa Raju Shri M.V. Bhaskara Rao
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<b>SHAREHOLDERS' GRIEVANCES COMMITTEE</b>	:	Shri S. Hanumantha Rao Shri G. Srinivasa Raju Shri M.V. Bhaskara Rao
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<b>REMUNERATION COMMITTEE</b>	:	Shri A.S. Anand Kumar Shri M.V. Bhaskara Rao Shri S. Hanumantha Rao
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<b>VICE-PRESIDENT (FINANCE)</b>	:	Smt. S. Kalyani
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<b>COMPANY SECRETARY</b>	:	Shri L. Narasimha Rao
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<b>STATUTORY AUDITORS</b>	:	M/s. Venugopal & Chenoy Chartered Accountants Tilak Road, Hyderabad - 500 001.
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<b>COST AUDITORS</b>	:	M/s Nageswara Rao & Co. Cost Accountants, Secunderabad - 500 056.
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## SUJANA TOWERS LIMITED

<b>BANKERS</b>	:	IDBI Bank Limited Central Bank of India Punjab National Bank Andhra Bank UCO Bank Karnataka Bank Limited Exim Bank Limited SBI Factors and Commercial Services (P) Limited
<b>FINANCIAL INSTITUTIONS</b>	:	Sicom Limited L & T Infrastructure & Finance Co. Ltd.
<b>REGISTERED OFFICE</b>	:	Plot No.41, Nagarjuna Hills, Panjagutta Hyderabad - 500 082
<b>WORKS</b>	:	(i) Plot No. 128 Part, Sy. No. 172/B, I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (ii) Plot No. 10, 11 and 12 Part, 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. 8, Sy. No.172/EE, U, UU, 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.
<b>LISTING</b>	:	<b>Equity</b> 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 <b>Global Depository Receipts (GDRs)</b> Luxembourg Stock Exchange Societe de la Bourse de Luxembourg B.P. 165, L - 2011, Luxembourg
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	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 Sixth Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2013 at "Hotel Sitara Residency", beside Chandana Brothers, Ameerpet, Hyderabad - 500 016, Andhra Pradesh at 12.00 Noon to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31st March, 2013 and the statement of profit and loss for the period ended 31st March, 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.Srinivasa Raju, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri A.S. Anand Kumar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Statutory Auditors M/s Venugopal & Chenoy, Hyderabad, are eligible for reappointment.

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions if any of the Companies Act, 1956 any new enactments and amendments thereof and subject to the consent of CDR lenders/CDR EG as may be required, the Board of Directors/Management Committee of the Board of Directors of the Company be and is hereby authorised to transfer by way of slump sale, business sale on "on going concern basis" or any other mode and to lease, mortgage and/or charge in addition to the mortgages/charges created/to be created

by the Company in such form and manner and with such ranking and at such time and on such terms as the Board/Management Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together to any of its subsidiaries present and future or to any other body corporate whether registered in India or elsewhere"

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

By order of the Board

**Y. KAMESH**  
Managing Director

Place : Hyderabad

Date : 14th August, 2013

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF 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 26th September, 2013 (one day only).

## SUJANA TOWERS LIMITED

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 by the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
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 no.5 is proposed to be passed by the Shareholders by way of exercising the voting by them through postal ballot, for which postal ballot form along with instructions and the calendar of events can be found on page nos. 85 and 86.
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 'csstf@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**

In order to carry out international business more effectively, explore new market avenues, diversify the business in future and keeping in view the several opportunities, which are emerging in that direction, it is contemplated to transfer the manufacturing facilities of your Company to its subsidiaries and/or any other body corporates.

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

As provided under Section 293(1) (a) of the Companies Act, 1956 or as may be provided under new enactment of Company law and amendments thereof and subject to the consent of CDR lenders/ CDR EG as may be required, the Board of Directors of a Company shall not, without the consent of the members of the Company, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially whole of any such undertaking.

The members are requested to authorise the Board/ Management Committee with the requisite authority under Section 293(1) (a) of the Companies Act, 1956 any new enactments and amendments thereof, 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 any new enactments and amendments thereof read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 as amended from time to time,

the approval of the members is required through the Postal Ballot for the aforesaid purpose.

Your Directors recommend the resolution for your approval.

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

By order of the Board

**Y. KAMESH**  
Managing Director

Place : Hyderabad

Date : 14th August, 2013

## SUJANA TOWERS LIMITED

### Details of Directors seeking reappointment at the forthcoming Annual General Meeting [Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges]

Name of the Director	Shri G. Srinivasa Raju	Shri A.S. Anand Kumar
Date of Birth	20.10.1963	10.07.1947
Date of Appointment	06.04.2006	28.04.2007
Qualification	Master Degree in Engineering	Masters in Mathematics from Madras University. He is also a Certified Associate of Indian Institute of Bankers
Expertise in specific functional area	<p>He has a rich and vast industrial experience, including the management of granite units and has wide exposure to the steel products industry.</p> <p>He also possesses a deep understanding of all the aspects of business administration.</p>	He has a rich and vast experience in the field of finance and banking in India and Abroad for a period of 35 years
Directorship in other Indian Public Limited Companies as on 31.03.2013	<ol style="list-style-type: none"> <li>1. Sujana Metal Products Limited</li> <li>2. Sujana Universal Industries Limited</li> <li>3. Sujana Projects Limited</li> <li>4. Sujana Holdings Limited</li> <li>5. Sujana Finance and Trading Private Limited</li> <li>6. Yalamanchili Finance and Trading Private Limited</li> <li>7. Foster Inifn And Trading Private Limited</li> <li>8. Sujana Power (India) Limited</li> <li>9. Kakatiya Enclaves Private Limited</li> <li>10. Telesuprecon Limited</li> </ol>	<p>Managing Director in :</p> <ol style="list-style-type: none"> <li>1. Value Vision Consultants Private Limited</li> </ol> <p>Director in :</p> <ol style="list-style-type: none"> <li>2. Sujana Capital Services Limited</li> <li>3. Shaily Engineering Plastics Limited</li> <li>4. Recon Advisory Private Limited</li> <li>5. V.V. Capital Advisors Pvt. Limited</li> <li>6. V.V. Express Business Services Private Limited</li> <li>7. Chakee Capital Management Private Limited</li> <li>8. ASAK Capital Management Private Limited</li> </ol>
Chairman / Membership of Committees in other Indian Public Limited Companies as on 31.03.2013 (includes only Audit Committee and Shareholders' / Investors' Grievance Committee) (C= Chairman, M=Member)	<p><b>Investor's Grievance Committee</b></p> <p>Sujana Universal Industries Limited (M)</p> <p>Sujana Metal Products Ltd (M)</p>	Nil
No. of shares held in the Company	1,80,184 (0.35%)	Nil

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the Sixth Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2013.

### 1. Company's Performance

Your Directors hereby report that the Company has achieved a turnover of Rs.1,79,830.23 lakhs upto 31.03.2013, as against the turnover of Rs. 2,03,425.14 lakhs during the previous financial period ended 31.03.2012.

The highlights of the financial results are as follows:

(Rs. in lakhs)

Particulars	Financial Year ended 31st March, 2013	Financial Year ended 31st March, 2012
Profit before Depreciation and Interest	17,539.65	24,884.30
Interest	14,667.33	13,224.17
Depreciation	2,216.32	1,952.75
Profit before tax	656.00	9,707.38
Provision for		
- Current tax	131.31	2,610.23
- Deferred tax	152.08	1,025.90
Profit after tax	372.61	6,071.25
Dividend on CRPS	3.47	3.47
Profit carried to Balance Sheet	369.14	6,067.78

### 2. Review of Operations

The Company achieved a turnover of Rs. 1,79,830.23 lakhs and earned profit after tax of Rs. 372.61 lakhs. The Gross Block as on 31.03.2013 stood at Rs. 48,869.00 lakhs and the Net Block as on 31.03.2013 stood at Rs. 36,628.48 Lakhs.

### 3. Prospects

With the restructuring of its debt and implementation of the revival package approved by the CDR Cell your Company

believes that it will gradually be able to revive its operations towards profitability. Your Company has been extremely fortunate to have full support of its employees during this period and all efforts are being made to garner support from the customers of the Company as well when the operations of the Company are revived.

Indian GDP is estimated at 5.3% in F.Y.2013-14 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%. Based on these projections of the GDP, your Directors are confident that the projected operational figures would be achieved.

### Corporate Debt Restructuring

Your Company had made a reference to the Corporate Debt Restructuring (CDR) cell constituted by Reserve Bank of India for restructuring of its financial debt. The CDR Cell positively considered the request of the Company and has approved the debt restructuring proposal given by the Company. For the purpose of implementation of the approved package as also to comply with the post-implementation requirements, IDBI Bank the lead consortium bank of the Company has been appointed as Monitoring Institution (MI) by the CDR Cell. To facilitate the process of monitoring of progress of sanction and implementation of the approved package by respective lenders and to revive the performance of the Company/restructuring package on a continuous basis, a Monitoring Committee (MC), comprising of representatives of IDBI Bank, Central Bank of India and Exim Bank has also been constituted.



**4. Subsidiaries**

**a. Digitech Business Systems Limited**

The operations of M/s. Digitech Business Systems Limited have commenced in a small way. We have stepped up the marketing activities under the aegis of this Company and we hope to clock good turnover during the next year.

**b. Telesuprecon Limited**

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

**c. STL Africa Limited**

As of date the concentration is more on CAD/CAM contracts and Company is planning to enter into Execution Contracts across Eastern Africa and has already started working in this direction.

**5. 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, 2013 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.

**6. Consolidation of shares**

The Company has consolidated the face value of equity shares of the Company from Re.1/- each to Rs.10/- each (i.e., ten equity shares of Re.1/- each were consolidated into one equity share of Rs.10/-) on the record date of 10.08.2013, as per the approval of the shareholders of the Company dated 20.07.2013 given through Postal Ballot.

**7. Industrial Relations**

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

**8. Future Plans**

The Company is striving hard to capture the major share in the market of both Telecom and Transmissions sector on it's own as well as through it's subsidiary Companies viz., M/s. Digitech Business Systems Limited, Hong Kong, M/s. Telesuprecon Limited, Mauritius and M/s STL Africa Limited, Mauritius.

**9. Dividend**

As per the terms of issue of Cumulative Redeemable Preference Shares (CRPS), your Company is required to pay the dividend of Rs. 296,800/- (Previous year Rs.2,96,800/-) which represents 1% on 2,96,795 Cumulative Redeemable Preference Shares(CRPS) of Rs.100/- each to the holders of Cumulative Redeemable Preference Shares for the year under review, Further your Company also provided a provision of dividend tax to the extent of Rs.1,26,100/- (Previous year Rs.75,660/-).

## 10. Directors

Shri G. Srinivasa Raju and Shri A.S. Anand Kumar, 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 reappointment. During the year under review Shri K.S. Purohit, Director resigned from the Board of Directors of the Company on his personal reasons and the same was approved by the Board at their meeting held on 10.11.2012.

IDBI Bank Ltd., has withdrawn its nominee, Shri Anil Ratanpal, from the Board of Directors of the Company consequent to his superannuation and appointed Shri H. Biswas, as it's Nominee Director w.e.f. 17.06.2013. This was approved by the Board at their meeting held on 14.08.2013.

## 11. Directors' Responsibility Statement

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

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

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

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

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

**13. Code of conduct**

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

**14. Statutory Auditors**

It is proposed to reappoint the existing Statutory Auditors of the Company M/s Venugopal & Chenoy, Chartered Accountants, Hyderabad for the financial year 2013-2014 also at a remuneration as may be fixed by the Board of Directors.

The Company has received 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.

**15. Personnel**

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

**16. Human Resource Management**

One of the key resources of Company is it's 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 31.03.2013 is 182.

**17. Quality**

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

**18. Insurance**

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

**19. 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 currently listed at the Luxembourg Stock Exchange.

**20. 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).

**21. Fixed Deposits**

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

**22. Cost Auditors**

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

has been received. The Company has reappointed them as Cost Auditors for the financial year 2013-2014.

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

**23. 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.

**24. Corporate Governance**

A detailed report on Corporate Governance has been included separately in the Annual Report. A report on Management Discussion and Analysis prepared and attached to the Directors' Report also forms part of this Annual Report.

**25. Explanations to any qualifications in Auditors' Report**

There are no adverse remarks in the Auditors' Report dated 28th May, 2013. However, the status on the disputed statutory dues is mentioned in Point No.2.1 of Notes on Financial Statements.

**26. Management Discussion and Analysis Report is also attached and forms part of this Report.**

**27. 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: 14.08.2013

**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	31.03.2013	31.03.2013	31.03.2013
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)	(1.77)	(2.01)	(360.58)
	(b) For the previous financial years since it became subsidiary	70.26	4936.11	554.25
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	16261.31	110.21	16371.53	16371.53	-	-	(1.77)	-	(1.77)	-
STL Africa Limited	0.06	11231.84	11231.90	11231.90	-	-	(2.01)	-	(2.01)	-
Telesuprecon Limited	0.54	(5879.44)	2561.37	2561.37	-	-	(360.58)	-	(360.58)	-

BY ORDER OF THE BOARD

Place: Hyderabad  
Date: 14.08.2013

**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.

<b>CONSERVATION OF ENERGY</b>	
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>B. TECHNOLOGY ABSORPTION</b>	
e) Efforts made in technology absorption:	As per form B.
<b>C. FOREIGN EXCHANGE EARNINGS &amp; OUTGO</b>	
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. 9,935.36 lakhs and Used: Rs. 8.965.86 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

	2012-13	2011-12
<b>1. Electricity</b>		
Units (KWH)	<b>26,46,188</b>	26,36,552
Total amount (Rs.)	<b>1,92,17,522</b>	1,58,89,542
Rate/units (Rs.)	<b>7.26</b>	6.03
<b>2. Coal</b>		
Quantity (Tonnes)	<b>2,922.00</b>	2,295.94
Total Cost (Rs.)	<b>1,83,35,114</b>	81,17,781
Average Rate (Rs.)	<b>6,274.85</b>	3,535.71
<b>3. Furnace Oil</b>		
Quantity (Ltrs.)	<b>3,38,037</b>	4,64,922
Total Cost (Rs.)	<b>1,39,40,936</b>	1,69,66,752
Average Rate (Rs.)	<b>41.24</b>	36.49

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

Electricity (KWH)	:	82.74
Coal (Tonnes)	:	0.09
Furnace Oil (Ltrs.)	:	43.76

**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: 14.08.2013

## 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 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 is expected to be enhanced 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.

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 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

- To complete the existing projects on hand
- 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.

### 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 2013. India continues to be the world's fastest-growing mobile market and the total number of GSM users in the country is 673 million as of July-end as per data released by the Cellular Operators' Association of India (COAI). Expansion of new infrastructure, upgradation of existing facilities and expanding the network of mobile towers will create viable opportunities for your Company.



**B) PERFORMANCE**

The Company achieved a turnover of Rs. 1,79,830.23 lakhs and earned profit after tax of Rs. 372.61 lakhs. The Gross Block as on 31.03.2013 stood at Rs. 48,869.00 lakhs and the Net Block as on 31.03.2013 stood at Rs. 36,628.48 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 Aluminum 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.

**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 2,70,000 MVA of AC transformation capacities. It requires an investment of 6,400 billion in the T&D space, which is a growth of 42% over the previous plan. This includes an investment of 2,400 billion in transmission lines, which is a growth of 71% over the previous plan. It includes planned investments from PGCIL of around 1,000 billion and a similar quantum is expected to be invested by the state transmission Companies and 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 - GOI, 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.

#### 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 they 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 his 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 Rs. 10/- 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 (Rupees One Hundred Crores only) divided into 7,90,00,000 (Seven Crores Ninety Lakhs only) Equity Shares of Rs. 10/- each and 21,00,000 (Twenty One Lakhs only) Preference Shares of Rs. 100/- each.

#### Movement in Paid-up Capital

During the period under review, there is no movement has taken place.

#### Movement in Paid-up Capital

Particulars	Equity Shares (in Nos.)	Cumulative Redeemable Preference Shares (in Nos.)	Capital in Rs.
Paid-up capital on 31.03.2012	51,91,49,230	2,96,795	54,88,28,730
Add: Equity shares of Re.1/- each allotted to Promoter Group on conversion of warrants, already allotted	NIL	NIL	NIL
Paid-up capital on 31.03.2013	51,91,49,230	2,96,795	54,88,28,230

#### 2. Reserves & Surplus

In 2012-13 year, the reserves stand at Rs.71,494.68 Lakhs against Rs. 71,125.54 Lakhs in 2011-12. The increases in reserves are Rs.369.14 lakhs. The increase in reserves is on account of current year profit.

#### 3. Long Term Borrowings

(Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Long Term Borrowings	44,358.88	19,651.34	24,707.54	125.73

## SUJANA TOWERS LIMITED

Long term borrowings are increased by Rs.24,707.54 due to increase in long term loans due WCTL taken from banks as per CDR package.

### 4. Short Term Borrowings (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Short Term Borrowings	69,581.02	49,554.05	20,026.97	40.41

Short term borrowings increased by Rs.20,026.97 lakhs due to increase in working capital demand loans during the year.

### 5. Net Worth

The net worth of the Company as on 31st March, 2013 is Rs. 76,686.17 lakhs against Rs.76,613.83 lakhs in 2011-12. The increase in the Net worth is about Rs.369.14 lakhs when compared to net worth at the end of previous financial year.

### 6. Fixed Assets (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Tangible assets	48,855.81	48,675.02	180.78	0.37

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

### 7. Non-Current Investments (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Non Current Investments	13,998.68	13,998.68	-	-

### 8. Long-term loans and advances (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Long-term loans and advances	43,477.98	7,097.21	36,380.77	512.61

Loans and advances increased by Rs.36,380.77 lakhs which was majorly increase in capital work in progress of Rs. 36,257.99 lakhs.

### 9. Short-term loans and advances (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Short-term loans and advances	5,872.67	14,174.65	(8,301.98)	(58.57)

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

### 10. Trade Receivables (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Trade Receivables	1,38,540.72	1,06,653.97	31,886.75	29.90

Increase in trade receivables is majorly due to non realization of receivables and late payments by EPC customers and increase in new customer base. The average trade receivables collection period in terms of number of days as on 31 March 2013 was 277 days, compared to 191 days as on 31 March 2012.

### 11. Trade Payables (Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Trade Payables	37,920.42	38,874.05	(935.62)	(0.02)

## 12. Inventories

(Rs. in Lakhs)

Particulars	2012-13	2011-12	Change	Change %
Raw Materials	693.59	989.73	(296.14)	(29.92)
Work-in-progress	2,514.43	3,645.29	(1,130.87)	(31.02)
Finished goods	764.16	95.32	668.85	701.72
Goods-in-transit	852.40	14,992.26	(14,139.85)	(94.31)
Stores and spares	796.75	977.28	(180.52)	(18.47)
Total	5,621.34	20,699.87	(15,078.54)	(72.84)

The average inventory holding in terms of number of days as on 31 March 2013 was 37 days vis-à-vis 37 days as on 31 March 2012. The decrease in inventory is majorly on account of decrease in goods-in-transit of raw material stock and traded stock.

## 13. 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.

## 14. 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.

## 15. 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. The Company has conducted training programmes to its employees enabling them to improve / upgrade their skills.

The Company recruited fresh Engineering graduates, Diploma engineers and fresh Chartered Accountants. Experienced Executives 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.

## 16. 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 refers to the systematic process by which businesses are operated, regulated and controlled to enhance their wealth generating capacity and fulfil social obligation. Good corporate governance practices provides a structure that meet the aspirations of all stakeholders including societal expectations by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. Governance practices may vary but the principles are generic and universal, viz., constant improvement and sustainable value creation for all stakeholders. Stakeholders include everyone ranging from the board of directors, executive management, shareholders to customers, employees, suppliers, financiers and society at large.

The Board of Directors and Management lay great emphasis on adopting and practicing principles of good Corporate Governance with a view to achieve business excellence by enhancing long term shareholder value and the interest of all its stakeholders through sound business decisions, prudent financial management and a high standard of business ethics.

During the period under review, the Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges with regard to Corporate Governance.

**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 are one-half of the total number of Directors as required by Clause 49. The number of Non-Executive Directors is 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 Eight (8) members, out of which one (1) is Promoter & Non Executive Chairman, one (1) is Managing Director, three (3) 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:

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	4	No
2	Shri Y. Kamesh	Non-Promoter & Executive Director	Managing Director	4	Yes
3	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	Director	3	Yes
4	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	Director	5	Yes
5	Shri K.S.Purohit*	Independent Director	Director	0	N.A.
6	Shri A.S.Anand Kumar	Independent Director	Director	4	Yes
7	Shri M.V.Bhaskara Rao	Independent Director	Director	5	N.A.
8	Shri L.V. Rao	Independent Director	Director	3	Yes
9	Shri Anil Ratanpal**	IDBI Nominee	Director	4	N.A.
10	Shri H. Biswas**	IDBI Nominee	Director	N.A.	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 22.09.2012.

\* Shri K. S. Purohit, resigned from the Board of Directors of the Company and the same was approved by the Board at their meeting held on 10.11.2012.

\*\*IDBI Bank Ltd., has withdrawn its nominee, Shri Anil Ratanpal, from the Board of Directors of the Company consequent to his superannuation and appointed Shri H. Biswas, as it Nominee Director w.e.f. 17.06.2013. This was approved by the Board at their meeting held on 14.08.2013.

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	--	11	1	6
2	Shri Y. Kamesh	--	1	--	--
3	Shri G. Srinivasa Raju	--	10	3	6
4	Shri S. Hanumantha Rao	1	14	1	5
5	Shri K.S.Purohit	--	1	--	--
6	Shri A.S.Anand Kumar	--	8	--	--
7	Shri M.V.Bhaskara Rao	--	2	--	--
8	Shri L.V. Rao	--	4	--	--
9	Shri Anil Ratanpal	--	--	--	--
10	Shri H. Biswas	--	--	--	--

\*Including Private Limited Companies and Overseas 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.

## SUJANA TOWERS LIMITED

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

A minimum of four Board Meetings are held every year and they are usually held at the Registered Office of the Company. Dates for 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.

Five Board Meetings were held since 31.03.2012 (closure of last financial year) upto 31.03.2013 (closure of this financial period 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:

28th May, 2012, 11th August, 2012, 10th November, 2012, 13th February, 2013 and 29th March, 2013.

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, reappointment 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:
  - 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:

Sl.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 22.09.2012, except resignation of Shri K.S. Purohit and the resignation was approved by the Board at their meeting held on 10.11.2012.

Four meetings of the Audit Committee were held since 31.03.2012 (closure of last financial year) upto 31.03.2013 (closure of this financial period under review). The date on which, the Audit Committee Meetings were held were as below:

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



## SUJANA TOWERS LIMITED

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 two (2) Independent and Non-Executive Directors and one (1) Promoter and Non-Executive Director 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 M.V. Bhaskar Rao*	Member

\*The Remuneration Committee was reconstituted by co-opting Shri M.V. Bhaskara Rao, Independent and Non-Executive Director in place of Shri K.S. Purohit, and the same was approved by the Board of Directors at their meeting held on 10.11.2012.

No Remuneration Committee meeting was held during the financial year 2012-2013.

#### 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 Rs.	Total Rs.
1	Shri Y. Kamesh	36,00,000	-	-	-	36,00,000
2	Shri K. Raghavaiah	9,51,613	-	-	8,07,692	17,59,305

#### 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 2012-13 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 L.V. Rao	60,000/-

Rs. 10,000/- will be paid as sitting fees to each Director for attending each Meeting of the Board of Directors of the Company.

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 31.03.2013

Sl.No.	Name of the Member	Designation	No.of Shares held
1	Shri Y.S. Chowdary	Promoter & Non-Executive Chairman	3759072
2	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	1801845
3	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	70000
4	Shri Y. Kamesh	Non-Promoter & Executive Director	Nil
5	Shri A.S.Anand Kumar	Independent Director	Nil
6	Shri M.V.Bhaskara Rao	Independent Director	Nil
7	Shri L.V. Rao	Independent Director	Nil
8	Shri Anil Ratanpal	IDBI Nominee	Nil

#### 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 22.09.2012.

No Shareholders' Grievance Committee Meeting was held during the financial year 2012-2013 and all the grievances received by the Company from the Members of the Company 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 – 14 (fourteen) and all the Complaints were resolved.

Nature of queries/compliants	Received	Resolved	Un-Resolved
No. of requests for change of address	1	1	Nil
Advice procedure for name deletion/duplicate	2	2	Nil
No. of requests for transmission	1	1	Nil
Non-receipt of Annual Reports	Nil	Nil	Nil
Duplicate Certificate Requests letters	2	2	Nil
Exchange of Share Certificates	3	3	Nil
Non receipt of Demat Rejected Share certificates	Nil	Nil	Nil
Miscellaneous Letters	5	5	Nil
<b>TOTAL</b>	<b>14</b>	<b>14</b>	

## SUJANA TOWERS LIMITED

### 5. No. of Pending Transfers

There are no share transfers pending more than fortnight during the financial period 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 period 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 22.09.2012.

### VII. Management Committee

The Management Committee comprises of 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 period under review, the Management Committee met twenty eight (28) times.

There was no change in the composition of Management Committee since the date of last AGM held on 22.09.2012 except resignation of Shri Y.S. Chowdary, as Member of the Committee.

### VIII. General Body Meetings

The Financial Year 2012-2013 is the sixth financial year of the Company. The details of last three AGMs held are as below:

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Venue	Time	Details of Special Resolutions passed
1	3rd	27th March, 2010	Kohinoor, Taj Deccan, Road No.1, Banjara Hills Hyderabad – 500 034	4.30 P.M.	1. Re-appointment of Shri L.V. Rao as Director of the Company, who shall be liable to retire by rotation.
2	4th	25th June, 2011	Anjuman, Taj Deccan, Road No.1, Banjara Hills Hyderabad – 500 034	4.00 P.M.	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.

3	5th	22nd September, 2012	Kohinoor, Taj Deccan, Road No.1, Banjara Hills Hyderabad – 500 034	4.00 P.M.	<ol style="list-style-type: none"> <li>1. Reappointment of Shri Y. Kamesh as Managing Director for a further period of 3 years w.e.f.28.05.2013.</li> <li>2. Reclassification of Authorised Share Capital.</li> <li>3. Amendment of Capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company.</li> <li>4. Further allotments pursuant to Sec.81(1A) of the Companies Act, 1956 upto 10 lakh Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each to Promoters and/or Non-Promoters.</li> <li>5. To carry on the business as per the objects contained in the other objects clause of the Memorandum of Association of the Company as per Sec.149(2A) of the Companies Act, 1956.</li> </ol>
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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 :

SI. No.	Details of Resolution passed through postal ballot	Details of voting pattern	Person who conducted the postal ballot exercise
1	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.	No. of votes cast in favour of the Resolution - 18,40,65,364 No. of votes cast against the Resolution - Nil	Shri Y. Ravi Prasada Reddy Practicing Company Secretary FCS No.5783, CP No.5360
2	To sell, lease, or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956.	No. of votes cast in favour of the Resolution - 18,40,65,364 No. of votes cast against the Resolution – Nil	
3	To shift the Registered Office of the Company from the state of Andhra Pradesh to Tamilnadu	No. of votes cast in favour of the Resolution - 18,40,65,364 No. of votes cast against the Resolution – Nil	

**Details of special resolution passed through postal ballot and details of voting pattern on 20.07.2013:**

Sl. No.	Type of the Resolution	Details of voting pattern	Person who conducted the postal ballot exercise
1	Consolidation of 10 (Ten) equity shares of the Company of the face value of Re. 1/- (Rupee One only) each into 1 (One) equity share of the face value of Rs.10/- (Rupees Ten only) each and consequential alterations in the existing Clause V being Capital Clause of the Memorandum of Association of the Company.	No. of votes cast in favour of the Resolution – 18,64,85,648 No. of votes cast against the Resolution - 100	Shri Y. Ravi Prasada Reddy Practising Company Secretary FCS No.5783, CP No.5360

**Details of special resolutions 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 sell, lease, or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company under Section 293(1)(a) of the Companies Act, 1956.	Special Resolution for the said purpose has been set out as Item No.5 in the notice of 6th Annual General Meeting.	Shri Y. Ravi Prasada Reddy Practising Company Secretary FCS No. 5783 C.P.NO. 5360
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. 85 and 86.		

**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 schedule 17 to the Annual Accounts for the period ended on 31.03.2013.

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

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any material related to capital markets, during the 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 2013-14.

## 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 independent of the director except receiving sitting fee for attending Board/Committee meetings.
- b. None of the non-executive director is holding any shares in the Company.

### 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 and Whole-time Directors seeking re-appointment, including nature of their experience in specific functional areas, names of Companies in which they hold Directorship and membership of committees of the Board is appended to the Notice for calling Annual General Meeting.
- b. None of the Directors are related to each other.

### 6. Clause 49(V):CEO & Vice-President (Finance) Certification

Certification by Chief Executive Officer and Vice-President (Finance) 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).

## SUJANA TOWERS LIMITED

### 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](http://www.sujana.com).
- b. Furnishing the Quarterly Financial Results to Stock Exchanges in which Company's shares are listed.
- c. Sending Balance Sheet, Statement of Profit & Loss, Directors' Report and 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 and BSE Listing Centre are web based applications designed by NSE and BSE, respectively, for corporates. The Shareholding pattern, Corporate Governance Report are also filed electronically on NEAPS in addition to the intimation of the meetings, outcomes of the meetings, postal ballot results, etc.
- f. Annual Report  
Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- 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 6th AGM

1.	Date	30.09.2013
2.	Time	12.00 Noon.
3.	Venue	At "Hotel Sitara Residency", beside Chandana Brothers, Ameerpet, Hyderabad - 500 016, Andhra Pradesh.
4.	Financial Year	2012-2013
5.	Book Closure Date	26th September, 2013 (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, Exchange Plaza,  
Bandra-Kurla Complex, Dalal Street, Mumbai 400 001

2. National Stock Exchange of India Ltd  
Exchange Plaza, Bandra-Kurla Complex  
Bandra(E), Mumbai - 400 051.

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

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

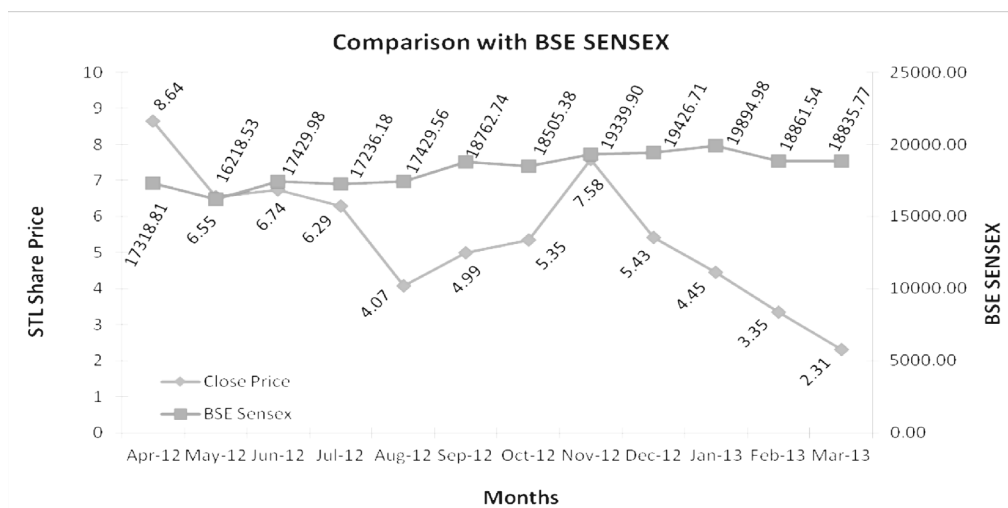
**b. Stock Code**

BSE Scrip Code : 532887  
NSE Scrip Code : SUJANATOW  
Luxembourg Stock Exchange Code : US86507U1007  
Demat ISIN in NSDL and CDSL for equity shares : INE333101036

**3. Market Price Data**

The trading of equity shares in the Bombay Stock Exchange Limited for the period from 01.04.2012 to 31.03.2013.

Month	High	Low	Close	BSE Sensex (Closing)
April, 2012	10.06	7.45	8.64	17318.81
May, 2012	8.99	6.51	6.55	16218.53
June, 2012	7.19	5.77	6.74	17429.98
July, 2012	7.60	5.14	6.29	17236.18
August, 2012	6.55	3.87	4.07	17429.56
September, 2012	5.48	3.89	4.99	18762.74
October, 2012	6.40	4.62	5.35	18505.38
November, 2012	8.62	5.31	7.58	19339.90
December, 2012	7.80	5.43	5.43	19426.71
January, 2013	6.44	4.35	4.45	19894.98
February, 2013	4.70	3.26	3.35	18861.54
March, 2013	3.50	2.03	2.31	18835.77

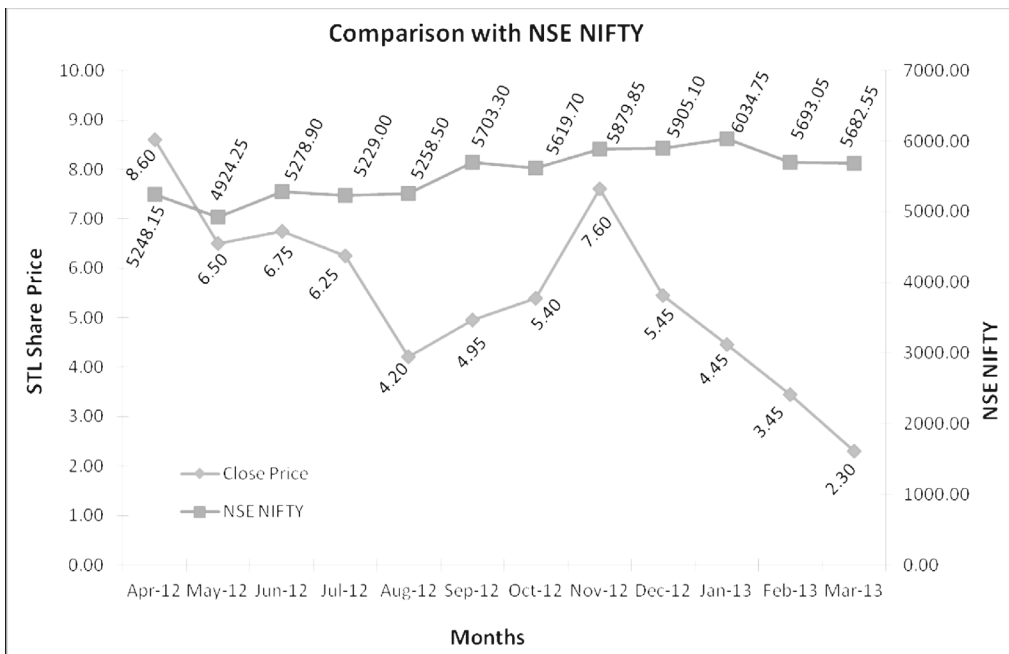




## SUJANA TOWERS LIMITED

The trading of equity shares in the National Stock Exchange of India Limited for the period from 01.04.2012 to 31.03.2013.

Month	High	Low	Close	NIFTY (Closing)
April, 2012	8.70	8.10	8.60	5248.15
May, 2012	6.90	6.50	6.50	4924.25
June, 2012	6.85	6.65	6.75	5278.90
July, 2012	6.65	6.05	6.25	5229.00
August, 2012	4.20	3.85	4.20	5258.50
September, 2012	5.20	4.95	4.95	5703.30
October, 2012	5.55	5.25	5.40	5619.70
November, 2012	7.80	7.50	7.60	5879.85
December, 2012	5.75	5.45	5.45	5905.10
January, 2013	4.60	4.35	4.45	6034.75
February, 2013	3.60	3.45	3.45	5693.05
March, 2013	2.45	2.25	2.30	5682.55



#### 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

99.37% of the Company's Paid-up capital has been dematerialized upto 31.03.2013 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	24,66,36,317	47.51
CDSL	26,92,29,398	51.86
Physical	32,83,515	0.63
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, 2013, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto - 5,000	1,96,59,571	3.79	21,206	89.99
5,001 - 10,000	70,37,253	1.36	896	3.80
10,001 - 20,000	81,36,377	1.57	542	2.30
20,001 - 30,000	61,22,896	1.18	240	1.02
30,001 - 40,000	40,18,811	0.77	113	0.48
40,001 - 50,000	54,26,498	1.04	115	0.49
50,001-1,00,000	1,37,09,963	2.64	182	0.77
1,00,001 and above	45,50,37,861	87.65	271	1.15
<b>Total</b>	<b>51,91,49,230</b>	<b>100.00</b>	<b>23,565</b>	<b>100.00</b>

**Shareholding pattern as on 31st March, 2013**

Sl.No.	Category	No.of Holders	No.of Shares	% to Equity
1	Promoters and Promoters Group	9	18,94,72,092	36.50
2	Bodies Corporate	829	14,45,88,199	27.85
3	Public—Individuals	22,614	12,28,42,931	23.66
4	NRIs	202	16,80,961	0.32
5	Foreign Institutional Investors	5	1,73,27,879	3.34
6	Financial Institutions/Banks	2	88,37,168	1.70
7	Shares held by Custodians and against which Depository Receipts have been issued.	1	3,44,00,000	6.63
<b>Total</b>		<b>23,662</b>	<b>519,149,230</b>	<b>100.00</b>

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

2,00,00,000 equity shares underlying 40,00,000 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 06th September, 2010, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is placed before the board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

**9. Plant Location**

- (i) Plot No.128 Part, Sy. No. 172/B, I.D.A., Bollaram – 502 325, Jinnaram Mandal, Medak Dist., A.P.
- (ii) Plot No.10, 11 AND 12 Part, 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. 8, B & C, Sy. No.172/EE, U, UU, 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](http://www.sujana.com)

Compliance Officer mail id : [latikenrao@gmail.com](mailto: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 period 2012-13.

BY ORDER OF THE BOARD

**Y. KAMESH**  
MANAGING DIRECTOR

Place : Hyderabad  
Date : 14.08.2013

## CEO & CFO CERTIFICATION

We, Y.Kamesh, Managing Director & Chief Executive Officer and Smt. S. Kalyani, Vice-President (Finance), 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	<b>Y. Kamesh</b>	<b>S. Kalyani</b>
Date: 14.08.2013	Managing Director & Chief Executive Officer	Vice-President (Finance)

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### 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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. 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: 14.08.2013

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

## INDEPENDENT AUDITORS' REPORT

To  
The Members,  
M/s Sujana Towers Limited.

### Report on Financial Statements

We have audited the accompanying financial statements of M/s. Sujana Towers Limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss, and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information,

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

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

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

### Report on Other Legal and Regulatory Requirements

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

## SUJANA TOWERS LIMITED

2. As required by section 227(3) of the Act, we report that:
- i. 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;
  - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For VENUGOPAL & CHENYO**

Chartered Accountants  
FRN: 004671S

**P.V.SRI HARI**

Partner  
Membership No. 21961

Place: Hyderabad  
Date: 29th May, 2013

## ANNEXURE TO AUDITORS' REPORT

Re: M/s. Sujana Towers Limited.

[Referred to in our report of even date]

- (i) In respect of Fixed Assets:
  - (a) The Company is in the process of updating its Fixed Assets Register showing full 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 opinion, the periodicity of verification is reasonable having regard to the size of the Company and the nature of its assets. However, the comparison of the fixed assets physically found is pending reconciliation with the Fixed Assets Register
  - (c) As per the 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 status of the Company.
- (ii) In respect of Inventories:
  - (a) As explained to us, the physical verification of inventory 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 the 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) According to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) According to the information and explanations given to us, during the year under review, the Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, except for interest free contributions received by the Company from promoters as per CDR package to the extent of Rs. 3,004.70 lakhs. Such contributions are not prima facie prejudicial to the interest of the Company
- (iv) In our opinion and according to the information and explanations given to us, the internal control procedures, considering the size of the Company and the nature of its business, need to be strengthened with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. However, we were informed, that the Company is taking steps to improve the internal control procedures. We have not observed any other continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us, the particulars of contracts or arrangements have been entered into the Register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and 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, read with Companies (Cost Accounting Records) Rules, 2011, and



## SUJANA TOWERS LIMITED

Companies (Cost Audit Report) Rules, 2011, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(ix) In respect of Statutory Dues:

- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
- (b) According to information and explanation given to us, no undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess were in arrears, as at 31.03.2013 for a period of more than six months from the date they became payable excepting:

Particulars	Amount Rs. in Lakhs
Income Tax (2009-2010)	291.14
Income Tax (2010-2011)	2,718.45
Income Tax (2011-2012)	2,610.23
Income Tax (2012-2013) upto sep 12	65.65
Work Contract Tax (2010-2011)	6.98
Dividend Distribution Tax (upto sep 12)	1.01

- (c) According to the information and explanations given to us, the dues of Excise Duty, Sales tax and Income tax as at March 31,2013, which have not been deposited on account of disputes are as follows:

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where matter is pending	Amount
<b>Excise Department</b>			
Excise Duty on Job Work	2010-2011	Additional Commissioner of central Excise	Rs. 30.98 lacs (paid Rs. 15.49 lacs during the year 2010-2011)
<b>Sales Tax Department</b>			
Submission of C Forms	2011-2012	Appellate Deputy Commissioner	Rs. 72.02 lacs

- (x) In our opinion, the Company has no accumulated losses as at 31.03.2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) As per information and explanations made available to us, the Company has not defaulted in repayment of dues to financial institutions or banks as the Company approached CDR cell for restructuring of Company debts and the same has been approved by the CDR cell on March 28, 2013.
- (xii) In our opinion and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause xii of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause xiii of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 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. Accordingly, the provisions of clause xiv of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has applied the new term loans disbursed during the year for the purposes for which they were granted.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised by the Company on short term basis are not used for long term investment.
- (xviii) According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of The Act. Accordingly, the provisions of clause xviii of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xix) According to the information and explanation given to us, the Company has not issued any debentures. Therefore, the provisions of clause xix of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xx) According to the information and explanation given to us, the Company has not raised any money by public issues during the year. Accordingly, the provisions of clause xx of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For VENUGOPAL & CHENOY**

Chartered Accountants  
FRN: 004671S

**P.V.SRI HARI**

Partner  
Membership No. 21961

Place: Hyderabad  
Date: 29th May, 2013

**SUJANA TOWERS LIMITED**

**BALANCE SHEET AS AT 31.03.2013**

(Rs. in Lakhs)

PARTICULARS	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	3	5,488.29	5,488.29
Reserves and Surplus	4	71,494.68	71,125.54
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	44,358.88	19,651.34
Deferred Tax Liabilities (Net)	6	6,741.18	6,589.10
Other Long-term Liabilities	7	304.67	304.67
Long-term Provisions	8	97.79	66.45
<b>Current Liabilities</b>			
Short-term Borrowings	9	69,581.02	49,554.05
Trade Payables	10	37,920.42	38,874.05
Other Current Liabilities	11	6,548.74	9,747.09
Short-term Provisions	12	5,749.36	5,679.52
Total		248,285.00	207,080.00
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible	13	36,619.42	38,645.61
Intangible		9.07	11.21
Non-Current Investments	14	13,998.68	13,998.68
Long-term Loans and Advances	15	43,477.98	7,097.21
<b>Current assets</b>			
Inventories	16	5,621.34	20,699.87
Trade Receivables	17	138,540.72	106,653.97
Cash and Cash Equivalents	18	2,242.74	5,730.16
Short-term Loans and Advances	19	5,872.67	14,174.65
Other Current Assets	20	1,902.41	68.75
Total		248,285.00	207,080.00
<b>Significant Accounting Policies &amp; Notes to Accounts</b>		Note 1 & 2	-

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y. Kamesh**

Managing Director

**S. Hanumantha Rao**

Director

**S. Kalyani**

Vice-President (Finance)

**L. Narsimha Rao**

Company Secretary

Place: Hyderabad

Date: May 29, 2013



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

(Rs. in Lakhs)

PARTICULARS	Note	For the year ended 31.03.13	For the year ended 31.03.12
<b>Revenue from operations</b>			
a) Sale of Products		182,709.79	205,986.18
b) Other operating revenues	21	168.68	703.54
Less: Excise duty		2,879.56	2,561.03
<b>Total revenue from operations</b>		<b>179,998.91</b>	<b>204,128.68</b>
Other income	22	225.79	381.31
<b>Total Revenue</b>		<b>180,224.70</b>	<b>204,509.99</b>
<b>Expenses</b>			
Cost of materials consumed	23	18,134.42	22,598.53
Purchases of Stock-in-Trade	24	140,002.76	149,757.57
Change in inventory of finished goods, work-in-progress and Stock-in-Trade	25	462.02	1,594.33
Employee benefit Expenses	26	894.20	968.43
Finance costs	27	14,667.33	13,224.17
Depreciation and amortisation expense	13	2,216.32	1,952.74
Other expenses	28	3,191.65	4,706.83
<b>Total expenses</b>		<b>179,568.71</b>	<b>194,802.61</b>
<b>Profit before tax</b>		<b>656.00</b>	<b>9,707.38</b>
<b>Tax Expense</b>			
Current tax		131.31	2,610.23
Deferred tax		152.08	1,025.91
<b>Profit for the Year/Period</b>		<b>372.61</b>	<b>6,071.25</b>
<b>Earning Per Share</b>			
Basic		0.07	1.18
Diluted		0.07	1.18
<b>Number of shares used in computing earnings per share</b>			
Basic		5,191.49	5,146.29
Diluted		5,191.49	5,146.29
<b>Significant accounting policies &amp; Notes to accounts</b>	1 & 2		

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**  
Managing Director

**S. Hanumantha Rao**  
Director

**S. Kalyani**  
Vice-President (Finance)

**L. Narsimha Rao**  
Company Secretary

Place: Hyderabad  
Date: May 29, 2013

**Cash Flow statement for the year ended 31.03.2013**

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before Tax	788.89	9,707.38
Adjusted for Depreciation	2,216.32	1,952.74
Provision for Gratuity and Earned Leave	40.91	10.64
Financial Charges	14,667.33	13,224.17
Interest Earned & Other Income	-	2,188.83
Operating Profit before Working Capital Changes	17,713.45	27,083.77
<b>Adjusted For</b>		
Decrease/(Increase) in Inventories	15,390.94	(4,010.37)
Decrease/(Increase) in Debtors	(47,124.13)	(42,966.80)
Decrease/(Increase) in Loans and Advances	23,182.62	9,133.10
(Decrease)/Increase in Current Liabilities	10,227.82	29,607.39
Cash Generated from Operations	19,390.69	18,847.10
Other Income		
Taxes Paid	63.75	270.00
<b>Cash from Operating Activities (A)</b>	<b>19,454.44</b>	<b>19,117.10</b>
<b>B. Cash Flow from Investing Activities</b>		
(Increase) in Fixed Assets	(194.00)	(9,674.72)
Sale of Fixed Assets	13.21	1,447.20
(Increase) in Capital Work-in-Progress	(36,617.95)	-
Increase in Investments	-	(14,005.90)
Interest Received	-	
<b>Cash used in Investing Activities (B)</b>	<b>(36,798.73)</b>	<b>(22,233.42)</b>
<b>C. Cash Flow from Financial Activities</b>		
(Decrease)/Increase in Long Term Borrowings	25,936.40	(1,625.05)
(Decrease)/Increase in Unsecured Loans	2,580.86	17,880.88
(Decrease)/Increase in Shareholders Funds	-	(481.25)
Interest Paid	(14,660.39)	(12,806.56)
<b>Net Cash from Financing Activities (C)</b>	<b>13,856.87</b>	<b>2,968.02</b>
<b>D. Net Increase in Cash and Cash equivalent (A+B+C)</b>	<b>(3,487.42)</b>	<b>(148.31)</b>
Cash and Cash Equivalent at Beginning	5,730.16	5,878.47
<b>E. Cash and Cash equivalent As On 31.03.2013</b>	<b>2,242.74</b>	<b>5,730.16</b>

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**  
Managing Director**S. Hanumantha Rao**  
Director**S. Kalyani**  
Vice-President (Finance)**L. Narsimha Rao**  
Company SecretaryPlace: Hyderabad  
Date: May 29, 2013

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 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 recognized 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 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.

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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 Statement of Profit and Loss 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 embodying economic benefits will be required to settle the obligation and in respect of which a 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 as 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 the 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

## NOTE 2: NOTES ON FINANCIAL STATEMENTS

## 1. Contingent Liability

(Rs. in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Bank Guarantees availed from Banks	3115.27	9,963.85
Disputed Excise Liability not provided for	30.98	30.98
Disputed Sales tax liability for which the Company preferred an appeal	72.02	72.02

## 2. Capital Commitment

(Rs. in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Estimated amount of contracts to be executed on capital account and not provided for	2,500.00	403.50
Other contracts	Nil	Nil
Total	2,500.00	403.50

## 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 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
Present value of obligations as at beginning of year	51.49	44.10	27.46	24.21
Interest Cost	4.43	3.53	2.36	1.94
Current service cost	14.65	9.25	7.42	3.25
Benefits paid	-	-	(16.90)	(13.98)

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
Actuarial loss/(Gain)	14.41	(5.39)	14.54	12.05
Present value of obligations at year end	84.98	51.49	34.88	27.46
Current Liability	6.40	2.63	-	-
Non-Current Liability	78.58	48.86	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>Changes in the fair value of plan assets</b>				
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	<b>(53.64)</b>	(51.49)	<b>(34.88)</b>	(27.46)
<b>Amounts recognized in the Balance sheet</b>				
Present value of obligations at the end of year	<b>(53.64)</b>	(51.49)	<b>(34.88)</b>	(27.46)
Fair value of plan assets as at the end of the year	-	-	-	-
Funded Status(Liability)	<b>(53.64)</b>	(51.49)	<b>(34.88)</b>	(27.46)
Net Liability recognized in the Balance Sheet	<b>(53.64)</b>	(51.49)	<b>(34.88)</b>	(27.46)
<b>Net Gratuity Cost for the year ended 31.03.2013</b>				
Current service cost	<b>14.65</b>	9.25	<b>7.42</b>	3.25
Interest Cost	<b>4.43</b>	3.53	<b>2.36</b>	1.94
Expected return on plan assets	<b>(1.32)</b>	-	-	-
Net Actuarial (Gain)/Loss	<b>14.41</b>	(5.39)	<b>14.54</b>	12.05
Expense recognized in the year	<b>32.17</b>	7.39	<b>24.31</b>	17.23
<b>Assumptions in accounting for the Gratuity Fund</b>				
Discount Rate	<b>8.2%</b>	8.6%	<b>8.2%</b>	8.6%
Salary Escalation Rate	<b>7.5%</b>	5%	<b>7.5%</b>	5%
Expected Average remaining working lives of employees (years)	<b>21</b>	22	<b>21</b>	23

**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.

**5. Lease Commitments**

The Company has finance Lease agreements for vehicles, the minimum lease rental outstanding as on 31st March 2013 are as follows:-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	Total Minimum Lease payments outstanding		Future Interest on Outstanding Payments		Present Value of Minimum Lease Payments	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Within one year	1.81	5.22	0.05	0.44	1.77	4.78
Latter than one year and not later than five years	Nil	1.81	Nil	0.05	Nil	1.77
Later than five years	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>1.81</b>	<b>7.03</b>	<b>0.05</b>	<b>0.49</b>	<b>1.77</b>	<b>6.54</b>

**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	Telesuprecon Limited	Subsidiary Companies
2	Digitech Business Systems Limited	
3	STL Africa Limited	
1	Shri S. Hanumantha Rao	Key Managerial Person
2	Shri Y. Kamesh	
1	Shri A.S.Ananad Kumar	Independent and Non-Executive Directors
2	Shri M.V.Bhaskara Rao	
3	Shri L.V. Rao	
4	Shri A.Ratanpal, IDBI, Nominee	

**Transactions during the period with related parties**

(Rs. in Lakhs)

S. No.	Nature of Transaction	Subsidiaries		Key Managerial Personnel		Total	
		For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
a	Assets Purchased & CWIP	-	-	-	-	-	-
b	Investment made	-	13,991.46	-	-	-	13,991.46
c	Loans given	-	-	-	-	-	-
d	Loans Outstanding	1,114.79	992.01	-	-	1,114.79	992.01
e	Remuneration to Key Management Personnel	-	-	36.00	93.85	36.00	93.85
f	Sitting Fees to non executive directors	-	-	2.60	3.46	2.60	3.46

**7. Payment to Auditors**

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2013	For the period ended 31.03.2012
a. Statutory Audit fees	13.00	10.00
b. Limited Reviews	2.00	2.00
c. Other Certifications	Nil	Nil
<b>Total</b>	<b>15.00</b>	<b>12.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 8. Earnings Per Share (EPS)

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Profit attributable to equity shareholders -(A) (Rs in Lakhs)	369.14	6,107.77
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B) (in No's)	51,91,49,230	51,46,28,682
Nominal value of equity shares (in Rs.)	1.00	1.00
Basic earnings per share (A/B) (Rs.) #	0.07	1.18
Diluted Earnings Per share (Rs.) #	0.07	1.18

# not annualized

### 9. Value of Materials Consumed during the year

Description	For the year ended 31.03.2013			For the year ended 31.03.2012		
	Mts	(Rs. in Lakhs)	%	Mts	(Rs. in Lakhs)	%
<b>Iron Steel</b>						
Indigenous	32,946	10,733.43	100	22,163	7,220.82	100
Imported				-	-	
<b>Tower Parts</b>						
Indigenous	19,397	7,401.00	100	37,784	13,961.47	100
Imported	-	-	-	-	-	-
<b>Others</b>						
Indigenous	-	-	-		1,416.217	100
Imported					-	-
<b>Total</b>		<b>18,134.42</b>			<b>23,164.22</b>	

### 10. Value of bough-out material consumed

Description	For the year ended 31.03.2013			For the year ended 31.03.2012		
	Mts	(Rs. in Lakhs)	%	Mts	(Rs. in Lakhs)	%
<b>Iron Steel</b>						
Indigenous	84,569	32,740.13	100	75,773	24,001.01	100
Imported				-	-	-
<b>Tower Parts</b>						
Indigenous	2,20,937	1,00,286.71	100	2,66,918	1,15,161.68	95
Imported	14,969	6,975.92	100	17,121	5,759.98	5
<b>Others</b>						
Indigenous				3,013	4,831.90	100
Imported				-	-	-
<b>Total</b>		<b>1,40,002.76</b>			<b>1,49,757.57</b>	

### 11. Value of Consumables, Stores and Spares consumed during the period

(Rs. in Lakhs)

Description	For the year ended 31.03.2013	%	For the year ended 31.03.2012	%
Consumables (Indigenous)	1,503.82	100	1,582.77	100
Consumables (Imported)	-	-	-	-
<b>Total</b>	<b>1,503.82</b>	<b>100</b>	<b>1,582.77</b>	<b>100</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

	For the year ended 31.03.2013	For the year ended 31.03.2012
Travelling Expenses	2.36	Nil
GDR Service Charges	Nil	1.75
Bank Charges for GDR Issue	Nil	Nil

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

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Equity	13,991.46	13,991.46
Loans given to Subsidiary	Nil	Nil

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

	For the year ended 31.03.2013	For the year ended 31.03.2012
FOB Value of Exports	7,353.19	6,317.59

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

	For the year ended 31.03.2013	For the year ended 31.03.2012
Raw Materials and Traded Goods	6,975.92	5,759.98
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	
	31.03.2013	31.03.2012	2012-2013	2011-2012
Telesuprecon Limited	1,114.79	992.01	1,114.79	1,518.10
Digitech Business Systems Limited	13,393.46	13,393.46	13,393.46	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 conformity to the Current Period's classification.

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**  
Managing Director

**S. Hanumantha Rao**  
Director

**S. Kalyani**  
Vice-President (Finance)

**L. Narsimha Rao**  
Company Secretary

Place: Hyderabad  
Date: May 29, 2013

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>3. Share Capital</b>		
<b>Authorised</b>		
<b>Equity shares</b>		
94,00,00,000 (previous year 94,00,00,000), Rs. 1/- par value	9,400.00	9,400.00
<b>Cumulative Redeemable Preference shares</b>		
6,00,000 (previous year 6,00,000), Rs. 100/- par value	600.00	600.00
<b>Total</b>	10,000.00	10,000.00
<b>Issued, Subscribed and fully Paid up</b>		
<b>Equity shares</b>		
51,91,49,230 (previous year 51,91,49,230), Rs. 1/- fully paid up	5,191.49	5,191.49
<b>Cumulative Redeemable Preference shares</b>		
2,96,795 (previous year 2,96,795) - 1% Cumulative Redeemable Preference Shares, Rs. 100/- par value, fully paid up	296.80	296.80
<b>Total</b>	5,488.29	5,488.29

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

Particulars	As at 31 March 2013 (in number)	As at 31 March 2012 (in number)
Shares outstanding at the beginning of the year	51,91,49,230	49,16,49,230
Shares Issued during the year	-	2,75,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	51,91,49,230	51,91,49,230

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

Shares outstanding at the beginning of the year	2,96,795	2,96,795
Shares Issued during the year	-	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	2,96,795	2,96,795

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yalamanchili Finance & Trading (P) Ltd	4,76,75,000	9.18	4,76,75,000	9.18
Sujana Holdings Ltd	7,50,00,000	14.45	7,50,00,000	14.45
Foster Infin & Trading (P) Ltd	5,09,60,000	9.82	5,09,60,000	9.82
HI Tech Housing Projects Private Ltd	2,60,99,467	5.03	-	-
Siva Projects Engineering & Enterprises Ltd	-	-	2,60,99,467	5.03

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

Industrial Development Bank of India Ltd	2,96,795	100	2,96,795	100
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Rs. in Lakhs

Particulars	As at 31 March 2013	As at 31 March 2012
<b>4. Reserve and Surplus</b>		
<b>Capital Reserves</b>		
Opening Balance	11,669.67	11,669.67
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	11,669.67	11,669.67
<b>Securities Premium Account</b>		
Opening Balance	34,295.15	31,545.15
Add: Premium from shares issued	-	2,750.00
Closing Balance	34,295.15	34,295.15
<b>Surplus balance in the statement of profit and loss</b>		
Opening Balance	25,160.72	19,092.94
Add: Profit for the year/period	372.61	6,071.25
Less: Dividend on CRPS	3.47	3.47
Closing Balance	25,529.86	25,160.72
<b>Total</b>	<b>71,494.68</b>	<b>71,125.54</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>5. Long term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
from banks (i)	21,250.12	393.90
from other parties (ii)	3,604.06	2,755.63
Long term maturities of lease obligations (iii)	-	1.81
<b>Sub Total (a)</b>	<u>24,854.18</u>	<u>3,151.34</u>
<b>Unsecured</b>		
<b>Others</b>		
Promoters Contribution as per CDR Schedule	3,004.70	-
Loans from Promoters and Promoter Group Companies	16,500.00	16,500.00
<b>Sub Total (b)</b>	<u>19,504.70</u>	<u>16,500.34</u>
<b>Total (a+b)</b>	<u>44,358.88</u>	<u>19,651.34</u>
<b>6. Deferred tax liabilities (net)</b>		
<b>Opening Balance</b>	6,589.10	5,563.19
Add: On account of Depreciation	190.97	1,051.52
Less: On account of retirement benefits	38.89	25.62
<b>Total</b>	<u>6,741.18</u>	<u>6,589.10</u>
<b>7. Other Long term liabilities</b>		
<b>Deferred sales tax liability (iv)</b>	304.67	304.67
	<u>304.67</u>	<u>304.67</u>
<b>8. Long term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	70.33	42.24
Leave Encashment	27.46	24.21
<b>Total</b>	<u>97.79</u>	<u>66.45</u>
(i) The Company has approached CDR cell for restructuring of Company debts and the same has been approved by CDR cell on 28th March 2013. Term Loans from IDBI Bank carry interest @ 11% are secured by first charge on all the fixed assets of the Company, excluding fixed assets of Khanapur Plant, present and future, and secured by personal guarantees of promoter directors and repayable in quarterly installments as per CDR package.		
(ii) Term Loan from L&T Infrastructure Finance Co. Ltd. is 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 installments at Rs. 551.12 lakhs each with a interest rate @ 14.75% and repayment is from 01-07-2010 to 01-04-2014.		
(iii) Finance lease obligations against Hypothecation of Vehicles repayable in Monthly Installments.		
(iv) 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

		(Rs. in Lakhs)	
Particulars	As at 31 March 2013	As at 31 March 2012	
<b>9. Short term borrowings</b>			
<b>Secured</b>			
Working Capital demand loan from banks (i)	60,286.87	40,557.29	
Bill discounting facility with financial institutions	5,029.58	4,306.54	
Finance lease obligations (ii)	-	1.81	
<b>Sub Total (a)</b>	<b>65,316.45</b>	<b>44,865.64</b>	
<b>Unsecured</b>			
<b>Others</b>			
Inter Corporate Deposits (iii)	4,264.58	4,688.41	
<b>Sub Total (b)</b>	<b>4,265.58</b>	<b>4,688.41</b>	
<b>Total (a+b)</b>	<b>69,581.03</b>	<b>49,554.05</b>	
<b>10. Trade payables</b>			
<b>Trade Payables</b>			
- due to micro and small enterprises	-	-	
- others creditors	37,920.42	38,874.05	
- acceptances	-	-	
<b>Total</b>	<b>37,920.42</b>	<b>38,874.05</b>	
<b>11. Other Current Liabilities</b>			
<b>Current Maturities of Long Term Debt (Refer Note-4)</b>			
From Other Parties	2,204.50	3,857.88	
Finance Lease Obligations	1.81	3.40	
From Banks	-	112.54	
Interest accrued and due on borrowings	-	1,423.82	
Advances from customers	1,526.84	2,642.11	
Due to Statutory authorities	18.79	175.50	
Other current liabilities	2,796.79	1,531.83	
<b>Total</b>	<b>6,548.74</b>	<b>9,747.09</b>	
<b>12. Short term provisions</b>			
<b>Others (Specify nature)</b>			
Provision for taxation	5,694.88	5,627.32	
Provision for Fringe Benefit Tax	10.70	10.70	
Proposed dividends	3.47	3.47	
Gratuity	14.65	9.25	
Leave Encashment	7.42	3.25	
Provision for bonus	18.24	25.52	
<b>Total</b>	<b>5,749.36</b>	<b>5,679.52</b>	
(i)	Working Capital Demand Loan from Banks is 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 guarantees of promoter directors of the Company.		
(ii)	Finance lease obligations are secured by the assets purchased out of the said loan.		
(iii)	Inter corporate deposits taken from various companies and the amount defaulted is Rs. 470 lakhs (Previous year Rs. 495 lakhs) which includes (i) Aidek Property Private Limited for Rs. 50 lakhs, (ii) Bhiragacha Finance Company Pvt. Ltd for Rs. 150 lakhs, (iii) Gateway Leasing Pvt. Ltd for Rs. 100 lakhs, (iv) Spectrm Trimpex Pvt. Ltd for Rs. 70 lakhs, (v) Zenith Infotech Limited for Rs. 100 lakhs.		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 13. Fixed Assets

(Rs. in Lakhs)

i. Tangible Assets		Gross Block				Accumulated Depreciation				Net Block	
Particulars	Opening Gross Block as on 01.04.2012	Additions during the period Apr'12 to Mar'13	Deletions during the period Apr'12 to Mar'13	Closing Gross Block as on 31.03.2013	Acc. Dep. As on 01.04.2012	Depreciation for the period Apr'12 to Mar'13	Depreciation withdrawn	Acc. Dep. As on 31.03.2013	Net Block as on 31.03.2013	Net Block as on 31.03.2012	
Land	1,868.84	-	-	1,868.84	-	-	-	-	1,868.84	1,868.84	
Building	3,469.66	69.63	-	3,539.29	317.16	116.98	-	434.14	3,105.15	3,152.50	
Plant & Machinery	42,754.55	119.72	-	42,874.27	9,454.49	2,052.34	-	11,506.82	31,367.45	33,300.06	
Workshop Equipments	7.23	2.36	-	9.60	2.96	0.30	-	3.26	6.34	4.28	
Weighing Machine	11.34	-	-	11.34	5.84	0.40	-	6.23	5.10	5.50	
Electrical Installations	174.72	-	-	174.72	47.55	8.30	-	55.85	118.87	127.17	
Furniture & Fixtures	32.29	0.36	-	32.65	9.49	1.52	-	11.02	21.63	22.79	
Office Equipments	44.90	1.59	-	46.49	10.23	2.17	-	12.39	34.09	34.67	
Vehicles	208.81	-	13.21	195.60	99.68	19.84	7.20	112.31	83.28	109.13	
Computers	102.68	0.34	-	103.02	82.02	12.35	-	94.37	8.65	20.66	
<b>Total</b>	48,675.02	194.00	13.21	48,855.81	10,029.41	2,214.18	7.20	12,236.39	36,619.42	38,645.61	
ii. Intangible Assets		Gross Block				Accumulated Depreciation				Net Block	
Particulars	Opening Gross Block as on 01.04.2012	Additions during the period Apr'12 to Mar'13	Deletions during the period Apr'12 to Mar'13	Closing Gross Block as on 31.03.2013	Acc. Dep. As on 01.04.2012	Depreciation for the period Apr'12 to Mar'13	Depreciation withdrawn	Acc. Dep. As on 31.03.2013	Net Block as on 31.03.2013	Net Block as on 31.03.2012	
Computer Software	13.19	-	-	13.19	1.99	2.14	-	4.13	9.07	11.21	
<b>Total</b>	13.19	-	-	13.19	1.99	2.14	-	4.13	9.07	11.21	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>14. Non-Current investments</b>		
<b>Non-Trade</b> : 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	<b>13,993.47</b>	13,993.47
510 (Previous Year 510) Equity Shares of USD 1 each fully paid in Telesupricon Ltd	<b>0.22</b>	0.22
49,400 (Previous year 49,400) Equity shares of 10 each fully paid in Sujana Transmission Ltd	<b>4.94</b>	4.94
116 ( Previous Year 116) Equity shares of USD 1 each fully paid in STL Africa Ltd	<b>0.05</b>	0.05
<b>Total</b>	<b>13,998.68</b>	13,998.68
<b>15. Long term loans and advances</b>		
<b>Capital Advances for purchase of fixed assets</b>		
Unsecured, considered good	<b>41,267.81</b>	5,009.82
<b>Sub Total (a)</b>	<b>41,267.81</b>	5,009.82
<b>Loans and advances to related parties</b>		
Unsecured, considered good	<b>1,114.79</b>	992.01
<b>Sub Total(b)</b>	<b>1,114.79</b>	992.01
Other loans and advances		
Advance for business Acquisition	<b>1,095.38</b>	1,095.38
<b>Sub Total (c)</b>	<b>1,095.38</b>	1,095.38
<b>Total (a+b+c)</b>	<b>43,477.98</b>	7,097.21

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>16. Inventories</b>		
Raw Materials and components		
Goods-in transit	693.59	989.73
(Raw material is valued at cost using the weighted average cost method)		
<b>Sub Total (a)</b>	<b>693.59</b>	<b>989.73</b>
Work-in-progress	2,514.43	3,645.29
(Work-in-progress is valued at cost using the weighted average cost method)		
<b>Sub Total (b)</b>	<b>2,514.43</b>	<b>3,645.29</b>
Finished goods	-	-
Goods-in transit	764.16	95.32
(Finished goods are valued at cost or net realisable value whichever is less)	<b>852.40</b>	14,992.26
<b>Sub Total (c)</b>	<b>1,616.56</b>	<b>15,087.57</b>
Stores and spares	796.75	977.28
(Stores and spares are carried at cost,ascertained on weighted average basis)		
<b>Sub Total (d)</b>	<b>796.75</b>	<b>977.28</b>
<b>Total (a+b+c+d)</b>	<b>5,621.34</b>	<b>20,699.87</b>
<b>17. Trade receivables</b>		
<b>Unsecured</b>		
<b>Debts outstanding for period exceeding six months</b>		
Considered Good	77,550.10	8,174.31
Considered Doubtful	-	-
<b>Other debts</b>		
Considered Good	61,228.00	98,717.02
Considered Doubtful	-	-
<b>Less: Provision for doubtful debts</b>	<b>237.38</b>	<b>237.36</b>
<b>Total</b>	<b>138,540.72</b>	<b>106,653.97</b>
<b>18 Cash and Cash Equivalents</b>		
Cash on hand	5.21	19.99
Balance with banks in Current Accounts	507.06	341.17
<b>Sub Total (a)</b>	<b>512.28</b>	<b>361.16</b>
Other Bank Balances		
Margin money	1,730.46	5,369.00
<b>Sub Total (b)</b>	<b>1,730.46</b>	<b>5,369.00</b>
<b>Total (a+b)</b>	<b>2,242.74</b>	<b>5,730.16</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>19. Short term loan and advances</b>		
<b>Loans and advances to related parties</b>		
Secured Considered good	-	25.55
<b>Sub Total (a)</b>	<b>-</b>	<b>25.55</b>
<b>Others</b>		
Advance to suppliers	<b>4,204.86</b>	8,916.74
Deposits with Govt authorities	<b>1,382.76</b>	1,263.92
Margin money with parties	<b>69.52</b>	49.70
Advance for expenses	<b>137.86</b>	31.00
Other Deposits	-	3,856.07
Employee Advances	<b>77.67</b>	31.67
<b>Sub Total (b)</b>	<b>5,872.67</b>	14,149.10
<b>Total (a+b)</b>	<b>5,872.67</b>	14,174.65
<b>20. Other current assets</b>		
Interest accrued	<b>1,902.41</b>	68.75
<b>Total</b>	<b>1,902.41</b>	68.75

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>21. Other operating revenues</b>		
Others	168.68	703.54
<b>Total</b>	<b>168.68</b>	703.54
<b>22. Other income</b>		
Interest income	225.79	381.31
<b>Total</b>	<b>225.79</b>	381.31
<b>23. Cost of material consumed</b>		
Opening stock	412.95	639.80
Add: Purchases	18,415.06	22,371.68
Add/(Less:) Raw material received (transferred)	-	-
Less: Closing stock	693.59	412.95
Raw materials consumed	<b>18,134.42</b>	22,598.53
<b>24. Purchases of Stock-in-Trade</b>		
Opening stock	576.78	354.45
Add: Purchases	139,425.98	149,979.89
Add/(Less:) Raw material received (transferred)	-	-
Less: Closing stock	-	576.78
Stock-in-Trade materials consumed	<b>140,002.76</b>	149,757.57
<b>25. Change in inventory of finished goods, work-in-progress and stock in trade</b>		
Opening stock		
Finished goods	95.32	768.59
Work-in-progress	3,645.29	4,566.35
<b>Sub Total (a)</b>	<b>3,740.61</b>	5,334.94
Less: Closing stock		
Finished goods	764.16	95.32
Work-in-progress	2,514.43	3,645.29
<b>Sub Total (b)</b>	<b>3,278.59</b>	3,740.61
<b>Total (a-b)</b>	<b>462.02</b>	1,594.33
<b>26. Employee benefits expense</b>		
Salaries and wages	810.66	881.52
Contribution to provident fund and other funds	29.59	27.35
Workmen and staff welfare expenses	17.96	18.41
Directors remuneration	36.00	41.15
<b>Total</b>	<b>894.20</b>	968.43
<b>27. Finance Cost</b>		
Interest on working capital loans and finance charges	12,766.81	5,725.60
Interest Expenses on Term Loans	1,716.32	6,108.66
Other borrowing costs	184.20	1,389.92
<b>Total</b>	<b>14,667.33</b>	13,224.17

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>28. Other expense</b>		
Consumption of stores, loose tools and spare parts	2,448.55	3,062.86
Power and fuel	457.40	628.12
Repairs and maintenance:	121.03	118.56
Rates and taxes, excluding, taxes on income	100.39	101.28
Insurance	46.30	39.97
Traveling and conveyance	18.15	63.33
Communication	17.31	17.80
Contract labor charges (security charges)	65.38	64.87
Legal and professional fees	124.55	951.33
Auditor's remuneration	19.93	19.27
Sales promotion and advertisement	112.87	371.55
Loss on sale of fixed assets (net)	1.22	-
Donations	-	0.61
Printing and stationery	8.13	19.47
Loss on foreign currency transactions	(403.54)	(1,103.99)
Provision for Doubtful Debts	-	237.38
Prior Period Expenses	0.30	36.52
Miscellaneous expenses	53.69	77.91
<b>Total</b>	<b>3,191.65</b>	<b>4,706.83</b>

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I</b>	<b>REGISTRATION DETAILS</b>	
	Registration No / Company Identification No.	CIN:L40109AP 2006PLC049743
	Balance Sheet	31.03.2013
<b>II</b>	<b>CAPITAL RAISED DURING THE YEAR</b>	
	Public Issue	NIL
	Share warrants exercised	NIL
	Bonus Issue	NIL
	Private Placement	NIL
<b>III</b>	<b>POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS</b> (Rs. in Lakhs)	
	Total Equity and Liabilities	2,48,285.03
	Total Assets	2,48,285.03
	<b>Equity and Liabilities</b>	
	Share Capital	5,488.29
	Reserves & Surplus	71,494.68
	Deferred Tax Liability	6,741.18
	Long term borrowings	44,358.88
	Short term borrowings	73,133.26
	Current Liabilities and Provisions	47,068.74
	<b>Application of Funds</b>	
	Net Fixed Assets	36,628.48
	Non Current Investments	13,998.68
	Current Assets	1,97,657.87
<b>IV</b>	<b>PERFORMANCE OF THE COMPANY</b> (Rs. in Lakhs)	
	Total Income	1,80,224.70
	Total Expenditure	1,79,568.41
	Profit before Tax	656.00
	Profit after Tax	372.61
	Earnings per Share in Rs.	
	Basic	0.07
	Diluted	0.07
<b>V</b>	<b>GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)</b>	
	PRODUCT DESCRIPTION	STEEL ANGLES, SHAPES & U,I,H,L&T SECTIONS
	ITEM CODE (IT CODE NO.)	72161000
	PRODUCT DESCRIPTION	GALVANISED STEEL PRODUCTS



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# **Consolidated Accounts for the year ended 31.03.2013**

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## **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 2013, 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. 1,6371.53 lakhs as at 31st March, 2013, total revenue of Rs. Nil lakhs and net cash flows amounting to Rs.(1.77) 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 2013 with the report furnished by the overseas auditor.
- (b) The financial statements of subsidiaries M/s STL Africa and M/s. Telesuprecon Limited whose financial statements reflect total assets (net) of Rs. 5,353.00 lakhs as at 31st March, 2013, total revenue of Rs. Nil lakhs and net cash flows amounting to Rs. (362.59) 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, 2013.
    - 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 VENUGOPAL & CHENYO**  
Chartered Accountants  
FRN: 004671S

**P.V.SRI HARI**  
Partner  
Membership No. 21961

Place: Hyderabad  
Date: 29th May, 2013

## CONSOLIDATED BALANCE SHEET AS AT 31.03.2013

(Rs. in Lakhs)

PARTICULARS	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	5,488.29	5,488.29
Reserves and surplus	4	81,538.40	79,179.83
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	51,036.48	25,815.54
Deferred tax liabilities (net)	6	6,741.18	6,488.04
Other long term liabilities	7	304.67	304.67
Long term provisions	8	97.79	66.45
<b>Current liabilities</b>			
Short-term borrowings	9	69,581.02	49,596.27
Trade payables	10	71,408.64	70,553.28
Other current liabilities	11	6,610.22	9,784.62
Short term provisions	12	5,749.36	5,745.71
		<b>298,556.06</b>	<b>253,022.71</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible	13	37,019.08	39,157.72
Intangible		9.07	11.21
Long term loans and advances	14	42,363.19	6,105.20
<b>Current assets</b>			
Inventories	15	5,739.82	20,801.61
Trade receivables	16	200,790.16	165,353.07
Cash and cash equivalents	17	2,451.05	6,029.76
Short term loan and advances	18	8,281.28	15,495.40
Other current assets	19	1,902.41	68.75
		<b>298,556.06</b>	<b>253,022.71</b>
Significant accounting policies & Notes to accounts	Note 1 & 2		

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**  
Managing Director**S. Hanumantha Rao**  
Director**S. Kalyani**  
Vice-President (Finance)**L. Narsimha Rao**  
Company SecretaryPlace: Hyderabad  
Date: May 29, 2013



## Consolidated statement of Profit and Loss for the year ended 31.03.2013

(Rs. in Lakhs)

PARTICULARS	Note	For the year ended 31.03.13	For the year ended 31.03.12
<b>Revenue from operations</b>			
a) Sale of Products		<b>182,709.79</b>	237,048.07
b) Other operating revenues	20	<b>172.69</b>	749.76
Less: Excise duty		<b>2,879.56</b>	2,561.03
<b>Total revenue from operations</b>		<b>180,002.92</b>	235,236.80
Other income	21	<b>225.79</b>	381.31
<b>Total Revenue</b>		<b>180,228.71</b>	235,618.11
<b>Expenses</b>			
Cost of materials consumed	22	<b>18,134.42</b>	22,598.53
Purchases of Stock-in-Trade	23	<b>139,424.06</b>	176,048.31
Change in inventory of finished goods, work in progress and stock in trade	24	<b>1,038.80</b>	1,372.01
Employee benefits expense	25	<b>1,093.55</b>	1,031.37
Finance costs	26	<b>14,670.62</b>	13,236.21
Depreciation and amortisation expense	13	<b>2,297.66</b>	2,053.00
Other expenses	27	<b>3,359.00</b>	4,823.24
<b>Total expenses</b>		<b>180,018.11</b>	221,162.67
<b>Profit before exceptional and extraordinary items and tax</b>		<b>210.60</b>	14,455.44
<b>Tax expense</b>			
Current tax		<b>131.31</b>	2,596.34
Deferred tax charge		<b>152.08</b>	1,025.91
<b>Profit for the year/period after tax</b>		<b>(72.79)</b>	10,833.19
<b>Earning per equity share</b>			
Basic		<b>0.03</b>	2.10
Diluted		<b>0.03</b>	2.10
<b>Number of shares used in computing earnings per share</b>			
Basic		<b>5,191.49</b>	5,146.29
Diluted		<b>5,191.49</b>	5,146.29
<b>Significant accounting policies &amp; Notes to accounts</b>	1 & 2		

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**  
Managing Director

**S. Hanumantha Rao**  
Director

**S. Kalyani**  
Vice-President (Finance)

**L. Narsimha Rao**  
Company Secretary

Place: Hyderabad

Date: May 29, 2013

**SUJANA TOWERS LIMITED**

<b>Consolidated Cash Flow statement for the year ended 31-03-2013</b>			(Rs. in Lakhs)
		<b>For the year ended 31.03.13</b>	<b>For the year ended 31.03.12</b>
<b>A. Cash Flow From Operating Activities</b>			
Net Profit after Tax		136.51	11,381.10
Adjusted for Depreciation		2,297.66	2,053.00
Dividend & Distribution Tax		3.47	3.47
Provision for Gratuity and Earned Leave		40.91	10.64
Loss on Sale of Fixed Assets		-	-
Financial Charges		14,670.62	13,236.21
Interest Earned & Other Income		(398.48)	(2,235.06)
Operating Profit before Working Capital Changes		16,750.69	24,449.36
<b>Adjusted For</b>			
Decrease/(Increase) in Inventories		15,061.80	(3,987.41)
Decrease/(Increase) in Debtors		(35,437.09)	(72,621.59)
Decrease/(Increase) in Loans And Advances		5,594.23	(6,128.29)
(Decrease)/Increase in Current Liabilities		(1,566.60)	55,675.17
Cash Generated from Operations		403.03	(2,612.76)
Other Income		172.69	1,853.75
Taxes Paid		63.75	270.00
<b>Cash from Operating Activities (A)</b>		639.47	(489.01)
<b>B. Cash Flow from Investing Activities</b>			
(Increase) in Fixed Assets		(194.00)	(9,709.91)
Sale of Fixed Assets		35.90	1,744.36
(Increase)/Decrease in Capital Work-in-Progress		(36,617.95)	-
Increase in Investments		-	-
Interest Received		225.79	381.31
<b>Cash used in Investing Activities (B)</b>		(36,550.25)	(7,584.24)
<b>C. Cash Flow from Financial Activities</b>			
(Decrease)/Increase in Long Term Borrowings		35,525.64	(1,743.17)
(Decrease)/Increase in Unsecured Loans		9,258.46	17,880.88
(Decrease)/Increase in Shareholders Funds		-	275.00
(Decrease)/Increase in Share Premium and Capital Reserves		2,218.59	4,661.34
Interest Paid		(14,670.62)	(13,158.74)
<b>Net Cash from Financing Activities (C)</b>		32,332.08	7,915.30
<b>D. Net Increase in Cash and Cash equivalent (A+B+C)</b>		(3,578.71)	(157.93)
Cash and Cash equivalent at beginning		6,029.76	6,187.69
<b>E. Cash and Cash equivalent as on 31.03.2013</b>		2,451.05	6,029.76

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**  
Managing Director

**S. Hanumantha Rao**  
Director

**S. Kalyani**  
Vice-President (Finance)

**L. Narsimha Rao**  
Company Secretary

Place: Hyderabad

Date: May 29, 2013

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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

### NOTE 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, 2013

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
STL Africa Limited	Mauritius	Subsidiary	100

2. In respect of Telesuprecon Limited, Sujana Transmission Ltd 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 31.03.2013	As at 31.03.2012
Bank Guarantees availed from Banks	3,115.27	9,963.85
Disputed Excise Liability not provided for	30.98	30.98
Disputed Sales tax liability for which the Company preferred an appeal	72.02	72.02

#### 4. Capital Commitments

(Rs. in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Estimated amount of contracts to be executed on capital account and not provided for	2,500.00	403.50
Other contracts	Nil	Nil
Total	2,500.00	403.50

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. 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 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
Present value of obligations as at beginning of year	51.49	44.10	27.46	24.21
Interest Cost	4.43	3.53	2.36	1.94
Current service cost	14.65	9.25	7.42	3.25
Benefits paid	-	-	(16.90)	(13.98)

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
Actuarial loss/(Gain)	14.41	(5.39)	14.54	12.05
Present value of obligations at year end	84.98	51.49	34.88	27.46
Current Liability	6.40	2.63	-	-
Non-Current Liability	78.58	48.86	-	-

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>Changes in the fair value of plan assets</b>				
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	(53.64)	(51.49)	(34.88)	(27.46)
<b>Amounts recognized in the Balance sheet</b>				
Present value of obligations at the end of year	(53.64)	(51.49)	(34.88)	(27.46)
Fair value of plan assets as at the end of the year	-	-	-	-
Funded Status(Liability)	(53.64)	(51.49)	(34.88)	(27.46)
Net Liability recognized in the Balance Sheet	(53.64)	(51.49)	(34.88)	(27.46)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>Net Gratuity Cost for the year ended 31.03.2013</b>				
Current service cost	14.65	9.25	7.42	3.25
Interest Cost	4.43	3.53	2.36	1.94
Expected return on plan assets	(1.32)	-	-	-
Net Actuarial (Gain)/Loss	14.41	(5.39)	14.54	12.05
Expense recognized in the year	32.17	7.39	24.31	17.23
<b>Assumptions in accounting for the Gratuity Fund</b>				
Discount Rate	8.2%	8.6%	8.2%	8.6%
Salary Escalation Rate	7.5%	5%	7.5%	5%
Expected Average remaining working lives of employees (years)	21	22	21	23

**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	1,79,830.23	-	-	1,79,830.23
Inter Segment Sales	-	-	-	-
Total Revenue	1,79,830.23	-	-	1,79,830.23
<b>Results</b>				
Segment Results	15,097.83	(440.82)	(1.58)	14,655.43
Interest Expense	-	-	-	14,670.62
Other Income	-	-	-	225.79
Income tax	-	-	-	283.39
Minority Interest	-	-	-	(216.54)
Profit for the period	-	-	-	143.76

**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	Telesuprecon Limited	Subsidiary Companies
2	Digitech Business Systems Limited	
3	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 L.V. Rao	
4	Shri A.Ratanpal, IDBI, Nominee	

**8. Earnings Per Share (EPS)**

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Profit attributable to equity shareholders -(A) (In Rs)	<b>1,39,98,476</b>	1,08,33,19,171
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B) (In No's)	<b>51,91,49,230</b>	51,46,28,682
Nominal value of equity shares (In Rs.)	<b>1.00</b>	1.00
Basic earnings per share (A/B) (In Rs.)	<b>0.03</b>	2.10
Diluted Earnings Per share (In Rs.)	<b>0.03</b>	2.10

9. The provision for Current Tax, Deferred Tax, and Fringe Benefit Tax has been made based on the computation of Income prepared by the Company.
10. Previous Period figures have been regrouped and reclassified wherever necessary in conforming to the current Period's classification.

As per our report attached

**M/s. Venugopal & Chenoy**

Chartered Accountants

Firm's Registration No: 004671S

**P.V. Sri Hari**

Partner

Membership No. 21961

Place: Hyderabad

Date: May 29, 2013

For and on behalf of the Board

**Y Kamesh**

Managing Director

**S. Hanumantha Rao**

Director

**S. Kalyani**

Vice-President (Finance)

**L. Narsimha Rao**

Company Secretary

Place: Hyderabad

Date: May 29, 2013

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>3. Share Capital</b>		
<b>Authorised</b>		
<b>Equity shares</b>		
94,00,00,000 (previous year 94,00,00,000), Rs. 1/- par value	9,400.00	9,400.00
<b>Cumulative Redeemable Preference shares</b>		
6,00,000 (previous year 6,00,000), Rs. 100/- par value	600.00	600.00
<b>Total</b>	10,000.00	10,000.00
<b>Issued, Subscribed and fully Paid up</b>		
<b>Equity shares</b>		
51,91,49,230 (previous year 51,91,49,230), Rs. 1/- fully paid up	5,191.49	5,191.49
<b>Cumulative Redeemable Preference shares</b>		
2,96,795 (previous year 2,96,795) - 1% Cumulative Redeemable Preference Shares, Rs. 100/- par value, fully paid up	296.80	296.80
<b>Total</b>	5,488.29	5,488.29

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

Particulars	As at 31 March 2013 (in number)	As at 31 March 2012 (in number)
Shares outstanding at the beginning of the year	51,91,49,230	49,16,49,230
Shares Issued during the year	-	2,75,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	51,91,49,230	51,91,49,230

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

Shares outstanding at the beginning of the year	2,96,795	2,96,795
Shares Issued during the year	-	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	2,96,795	2,96,795

[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**

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

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yalamanchili Finance & Trading (P) Ltd	4,76,75,000	9.18	4,76,75,000	9.18
Sujana Holdings Ltd	7,50,00,000	14.45	7,50,00,000	14.45
Foster Infin & Trading (P) Ltd	5,09,60,000	9.82	5,09,60,000	9.82
HI Tech Housing Projects Private Ltd	2,60,99,467	5.03	-	-
Siva Projects Engineering & Enterprises Ltd	-	-	2,60,99,467	5.03

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

Industrial Development Bank of India Ltd	2,96,795	100	2,96,795	100
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(Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
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**4. Reserve and Surplus**

**Capital Reserves**

Opening Balance	11,736.77	11,736.77
Additions during the year	-	-
(Deductions during the year)	-	-
Closing Balance	11,736.77	11,736.77

**Securities Premium Account**

Opening Balance	34,295.15	31,545.15
Add: Premium for Shares Issued	-	2,750.00
Closing Balance	34,295.15	34,295.15

**Foreign Currency Translation Reserve**

Opening Balance	1,480.19	(431.15)
Additions/Deletions	2,218.59	1,911.34
Closing Balance	3,698.78	1,480.19

**Surplus balance in the statement of profit and loss account**

Opening Balance	31,667.72	20,283.15
Add: Profit /(loss) for the year	(72.79)	10,833.19
Add: Minority Interest	216.54	(271.58)
Less: Prior Period Adjustments	0.30	(826.43)
Less: Dividend on CRPS	3.47	3.47

Transfer to capital reserves, Capital redemption reserve and other reserves	-	-
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Closing Balance	31,807.70	31,667.72
<b>Total</b>	<b>81,538.40</b>	<b>79,179.83</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>5. Long term borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
from banks (i)	21,250.12	393.90
from other parties (ii)	3,604.06	2,755.63
Long term maturities of lease obligations (iii)	-	1.81
<b>Sub Total (a)</b>	<b>24,854.18</b>	<b>3,151.34</b>
<b>Unsecured</b>		
Promoters Contribution as per CDR Scheme	3,004.70	-
Others	23,177.60	22,664.21
<b>Sub Total (b)</b>	<b>26,182.30</b>	<b>22,664.21</b>
<b>Total (a+b)</b>	<b>51,036.48</b>	<b>25,815.54</b>
<b>6. Deferred tax liabilities (net)</b>		
Opening Balance	6,488.04	5,563.19
Add: On account of Depreciation	292.03	1,051.52
Less: On account of retirement benefits	38.89	126.68
<b>Total</b>	<b>6,741.18</b>	<b>6,488.04</b>
<b>7. Other Long term liabilities</b>		
Deferred sales tax liability (iv)	304.67	304.67
	<b>304.67</b>	<b>304.67</b>
<b>8. Long term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	70.33	42.24
Leave encashment	27.46	24.21
<b>Total</b>	<b>97.79</b>	<b>66.45</b>

- (i) The Company has approached CDR cell for restructuring of Company debts and the same has been approved by CDR cell on 28th March 2013. Term Loans from IDBI Bank carry interest @11% are secured by first charge on all the fixed assets of the Company, excluding fixed assets of Khanapur Plant, present and future, and secured by personal guarantees of promoter directors and repayable in quarterly installments as per CDR package.
- (ii) Term Loan from L&T Infrastructure Finance Co. Ltd. is 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 installments Rs. 551.12 lakhs each with a interest rate @ 14.75% and repayment is from 01-07-2010 to 01-04-2014.
- (iii) Finance lease obligations against Hypothecation of Vehicles Repayable in Monthly Installments
- (iv) 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 (Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>9. Short term borrowings</b>		
<b>Secured</b>		
Working capital demand loan from banks (i)	60,286.87	40,599.51
Bill discounting facility with financial institutions	5,029.58	4,306.54
Finance lease obligations (ii)	-	1.81
<b>Sub total (a)</b>	<b>65,316.45</b>	<b>44,907.86</b>
<b>Unsecured</b>		
Inter Corporate Deposits (iii)	4,264.58	4,688.41
<b>Sub total (b)</b>	<b>4,264.58</b>	<b>4,688.41</b>
<b>Total (a+b)</b>	<b>69,581.02</b>	<b>49,596.27</b>
<b>10. Trade payables</b>		
- due to micro and small enterprises	-	-
- others creditors	71,408.64	70,553.28
- acceptances	-	-
<b>Total</b>	<b>71,408.64</b>	<b>70,553.28</b>
<b>11. Other Current liabilities</b>		
From Other Parties	3,550.42	3,857.88
Finance Lease Obligations	1.81	3.40
From Banks	-	112.54
Interest accrued and due on borrowings	-	1,423.82
Advances from customers	1,526.84	2,642.11
Due to Statutory authorities	18.79	182.59
Other current liabilities	1,512.36	1,562.27
<b>Total</b>	<b>6,610.22</b>	<b>9,784.62</b>
<b>12. Short term provisions</b>		
<b>Others</b>		
Provision for taxation	5,694.88	5,693.52
Provision for Fringe Benefit Tax	10.70	10.70
Proposed dividends	3.47	3.47
Gratuity	14.65	9.25
Leave Encashment	7.42	3.25
Provision for bonus	18.24	25.52
<b>Total</b>	<b>5,749.36</b>	<b>5,745.71</b>
(i) 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.		
(ii) Finance lease obligations secured by the assets purchased out of the said loan.		
(iii) Inter corporate deposits taken from various companies and the amount defaulted is Rs. 470 lakhs (Previous year Rs. 495 lakhs) which includes (i) Aidek Property Private Limited for Rs. 50 lakhs, (ii) Bhiragacha Finance Company Pvt. Ltd for Rs. 150 lakhs, (iii) Gateway Leasing Pvt. Ltd for Rs. 100 lakhs (iv) Spectrm Trimpex Pvt. Ltd for Rs. 70 lakhs, (v) Zenith Infotech Limited for Rs. 100 lakhs.		

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

**SCHEDULE NO : 13**

**Consolidated Schedule of Fixed Assets**

i) <b>Tangible Assets</b>		Gross Block						Accumulated Depreciation				(Rs. in Lakhs)	
		Opening Gross Block as on 01.04.2012	Additions during the period Apr'12 to March'13	Deletions during the period Apr'12 to March'13	Closing Gross Block as on 31.12.2013	Acc. Dep. As on 01.04.2012	Depreciation for the period Apr'12 to March'13	Depre- ciation withdrawn	Acc. Dep. As on 31.03.2013	Net Block as on 31.03.2013	Net Block as on 31.03.2012		
Land	1,868.84	-	-	1,868.84	-	-	-	-	1,868.84	1,868.84			
Building	3,469.66	69.63	-	3,539.29	317.16	116.98	-	434.14	3,105.15	3,152.50			
Plant & Machinery	43,058.68	119.72	0.16	43,178.25	9,471.38	2,095.87	-	11,567.25	31,611.00	33,587.30			
Workshop Equipments	7.23	2.36	-	9.60	2.96	0.30	-	3.26	6.34	4.28			
Weighing Machine	11.34	-	-	11.34	5.84	0.40	-	6.23	5.10	5.50			
Electrical Installations	235.09	-	-	235.09	60.01	12.77	-	72.78	162.31	175.09			
Furniture & Fixtures	83.62	0.36	-	83.98	40.68	3.48	-	44.16	39.82	42.95			
Office Equipments	69.09	1.59	-	70.68	13.99	3.04	-	17.03	53.65	55.10			
Vehicles	641.31	-	44.17	597.14	417.08	45.57	7.20	455.45	141.70	224.23			
Computers	159.57	0.34	-	159.91	117.64	17.11	-	134.75	25.17	41.94			
<b>Total</b>	<b>49,604.44</b>	<b>194.00</b>	<b>44.32</b>	<b>49,754.12</b>	<b>10,446.72</b>	<b>2,295.52</b>	<b>7.20</b>	<b>12,735.04</b>	<b>37,019.08</b>	<b>39,157.72</b>			
ii) <b>Intangible Assets</b>		Gross Block						Accumulated Depreciation				Net Block	
Particulars	Opening Gross Block as on 01.04.2012	Additions during the period Apr'12 to March'13	Deletions during the period Apr'12 to March'13	Closing Gross Block as on 31.12.2013	Acc. Dep. As on 01.04.2012	Depreciation for the period Apr'12 to March'13	Depre- ciation withdrawn	Acc. Dep. As on 31.03.2013	Net Block as on 31.03.2013	Net Block as on 31.03.2012			
Computer Software	13.19	-	-	13.19	1.99	2.14	-	4.13	9.07	11.21			
<b>Total</b>	<b>13.19</b>	<b>-</b>	<b>-</b>	<b>13.19</b>	<b>1.99</b>	<b>2.14</b>	<b>-</b>	<b>4.13</b>	<b>9.07</b>	<b>11.21</b>			

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>14. Long term loans and advances</b>		
<b>Capital Advances for purchase of fixed assets</b>		
Secured, considered good	41,267.81	5,009.82
Less: Provision for doubtful advances	-	-
<b>Sub Total (a)</b>	<u>41,267.81</u>	<u>5,009.82</u>
Other loans and advances		
Advance for business Acquisition	1,095.38	1,095.38
<b>Sub Total (b)</b>	<u>1,095.38</u>	<u>1,095.38</u>
<b>Total (a+b)</b>	<u>42,363.19</u>	<u>6,105.20</u>
<b>15. Inventories</b>		
Raw Materials and components	812.07	514.69
Less: provision for obsolete and slow moving	-	-
<b>Sub Total (a)</b>	<u>812.07</u>	<u>514.69</u>
(Raw material is valued at cost using the weighted average cost method)		
Work-in-progress	2,514.43	3,645.29
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)	-	-
<b>Sub Total (b)</b>	<u>2,514.43</u>	<u>3,645.29</u>
Finished goods	764.16	672.09
Goods-in transit	852.40	14,992.26
Less: provision for obsolete and slow moving	-	-
(Finished goods are valued at cost or net realisable value whichever is less)	-	-
<b>Sub Total (c)</b>	<u>1,616.56</u>	<u>15,664.35</u>
Stores and spares	796.75	977.28
Less: provision for obsolete and slow moving	-	-
(Stores and spares are carried at cost,ascertained on weighted average basis)	-	-
<b>Sub Total (d)</b>	<u>796.75</u>	<u>977.28</u>
<b>Total (a+b+c+d)</b>	<u>5,739.82</u>	<u>20,801.61</u>
<b>16. Trade receivables</b>		
<b>Unsecured</b>		
<b>Debts outstanding for period exceeding six months</b>		
Considered good	77,787.47	8,174.33
Considered doubtful	-	-
<b>Other debts</b>	-	-
Considered good	1,23,240.07	1,57,416.12
Considered doubtful	-	-
Less: Provision for doubtful debts	237.38	237.38
<b>Total</b>	<u>2,00,790.16</u>	<u>1,65,353.07</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Rs. in Lakhs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>17. Cash and cash equivalents</b>		
Cash and Cash Equivalents		
Cash on hand	10.92	33.49
Balance with banks in current accounts	709.67	627.27
<b>Sub Total (a)</b>	<u>720.59</u>	<u>660.76</u>
Other Bank balances		
Margin money	1,730.46	5,369.00
<b>Sub Total (b)</b>	<u>1,730.46</u>	<u>5,369.00</u>
<b>Total (a+b)</b>	<u>2,451.05</u>	<u>6,029.76</u>
<b>18. Short term loans and advances</b>		
Advance to suppliers	4,204.86	10,237.48
Deposits with Govt authorities	1,382.76	1,263.92
Margin money with parties	69.52	36.42
Advance for expenses	137.86	69.83
Other Advances	2,408.60	3,856.07
Employee Advances	77.67	31.67
<b>Total</b>	<u>8,281.28</u>	<u>15,495.40</u>
<b>19. Other current assets</b>		
Interest accrued	1,902.41	68.75
<b>Total</b>	<u>1,902.41</u>	<u>68.75</u>
<b>20. Other operating revenues</b>		
Others	172.69	749.76
<b>Total</b>	<u>172.69</u>	<u>749.76</u>
<b>21. Other income</b>		
Interest income	225.79	381.31
<b>Total</b>	<u>225.79</u>	<u>381.31</u>
<b>22. Cost of material consumed</b>		
Raw materials and packing materials consumed		
Opening stock	412.95	639.80
Add: Purchases	18,415.06	22,371.68
Add (Less:) Raw material received (transferred)	-	-
Less: Closing stock	693.59	412.95
Raw materials consumed	<u>18,134.42</u>	<u>22,598.53</u>
<b>23. Purchases of Stock-in-Trade</b>		
Opening stock	101.74	124.70
Add: Purchases	1,39,440.80	1,76,025.35
Add (Less:) Raw material received (transferred)	-	-
Less: Closing stock	118.48	101.74
<b>Stock-in-Trade materials consumed</b>	<u>1,39,424.06</u>	<u>1,76,048.31</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Rs. in Lakhs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>24. Change in inventory of finished goods, work-in-progress and stock-in-trade</b>		
Opening stock		
Finished goods	672.09	1,123.04
Work-in-progress	3,645.29	4,566.35
<b>Sub Total (a)</b>	<b>4,317.39</b>	<b>5,689.40</b>
Less: Closing stock		
Finished goods	764.16	672.09
Work-in-progress	2,514.43	3,645.29
<b>Sub Total (b)</b>	<b>3,278.59</b>	<b>4,317.39</b>
<b>Total (a-b)</b>	<b>1,038.80</b>	<b>1,372.01</b>
<b>25. Employee benefits expense</b>		
Salaries and wages	1,005.58	944.46
Contribution to provident fund and other funds-	29.59	27.35
Workmen and staff welfare expenses	22.37	18.41
Directors remuneration	36.00	41.15
<b>Total</b>	<b>1,093.55</b>	<b>1,031.37</b>
<b>26. Finance Cost</b>		
Interest expense	12,766.81	5,725.60
Interest Expenses on Term Loans	1,716.32	6,108.66
Other borrowing costs	187.49	1,401.96
<b>Total</b>	<b>14,670.62</b>	<b>13,236.21</b>
<b>27. Other expense</b>		
Consumption of stores, loose tools and spare parts	2,562.78	3,084.00
Power and fuel	474.18	628.12
Repairs and maintenance:	-	-
- buildings	-	6.16
- plant and machinery	126.88	11.53
- factory maintenance & others	-	100.87
Rates and taxes, excluding, taxes on income	130.67	101.30
Insurance	55.13	39.97
Traveling and conveyance	18.15	63.33
Communication	25.09	17.83
Contract labour charges (security charges)	65.38	64.87
Legal and professional fees	75.33	952.85
Auditor's remuneration	20.26	19.58
Sales promotion and advertisement	44.14	377.79
Loss on sale of fixed assets (net)	1.22	-
Donations	-	0.61
Printing and stationery	8.14	19.48
Foreign exchange loss	(403.54)	(1,103.99)
Provision for Doubtful Debts	-	237.38
Miscellaneous expenses	155.19	201.56
<b>Total</b>	<b>3,359.00</b>	<b>4,823.24</b>



# SUJANA TOWERS LIMITED

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

## POSTAL BALLOT FORM

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

Votes cast on Resolution No. 5 contained in the Notice of 6<sup>th</sup> Annual General Meeting to be held on 30th September, 2013

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

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

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

Place: Hyderabad

Date : 14.08.2013

(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 28.09.2013. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
5. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of the notice.
6. The result of the Postal Ballot shall be declared by the Chairman, or in his absence by any other person, so authorized by the Chairman on Monday, the 30th day of September, 2013 at the venue of AGM and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman/ Authorised Person. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company [www.sujana.com](http://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	14.08.2013
2.	Date on which consent given by the Scrutinizer to act as Scrutinizer	14.08.2013
3.	Date of Resolution of the Board of Directors, authorizing Managing Director and Company Secretary to be responsible for the entire Poll process	14.08.2013
4.	Date of Dispatch of notice	29.08.2013
5.	Date of completion of Dispatch of notice along with Postal Ballot	29.08.2013
6.	Last date for receiving Postal Ballot papers by Scrutinizer	28.09.2013
7.	Date of signing of the Minutes Book by the Chairman in which the results of Ballot is recorded.	30.09.2013
8.	Date of returning the Ballot Papers, register required to be maintained by the Scrutinizer under rule 6(e) of the Companies (passing of the resolutions by postal ballot) Rules, 2011 and other related papers to the Chairman by the Scrutinizer	30.09.2013
9.	Date of handing over the Ballot papers to the designated authority	30.09.2013
10.	Date of declaration of results by the Chairman/Authorised Person	30.09.2013



# SUJANA 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 6<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> day of September, 2013 at 12.00 Noon and at any adjournment thereof.

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

Signature.....

Affix  
Revenue  
Stamp  
Re 1.00

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

A PROXY NEED NOT BE A MEMBER



# SUJANA 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 6th 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 6<sup>th</sup> Annual General Meeting to be held on Monday, the 30<sup>th</sup> day of September, 2013 at At "Hotel Sitara Residency" Beside Chandana Brothers, Ameerpet, Hyderabad - 500 016, Andhra Pradesh. at 12.00 Noon.

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 :**


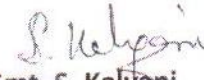

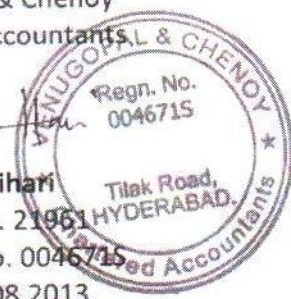

#41, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

Phone: 040-23351882, 23351887

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

**Form A**  
(Unqualified/ Matter of Emphasis Report)

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

S. No	Particulars	Details
1	Name of the Company	M/s. Sujana Towers Limited
2	Annual Financial Statement for the Year Ended	31 <sup>st</sup> March, 2013
3	Type of Observation	Un-qualified
4	Frequency of observation	Not Applicable
5	Signatures:	
	Managing Director	 <b>Y. Kamesh</b> Date: 14.08.2013 Place: Hyderabad
	Vice-President Finance	 <b>Smt. S. Kalyani</b> Date: 14.08.2013 Place: Hyderabad
	Auditor of the Company	Venugopal & Chenoy Chartered Accountants  <b>P.V. Srihari</b> Mem. No. 21961 Firm Reg. No. 0046715 Date: 14.08.2013 Place: Hyderabad 
	Audit Committee Chairman	 <b>A.S. Anand Kumar</b> Date: 14.08.2013 Place: Hyderabad

