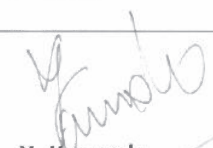

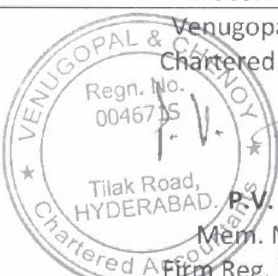

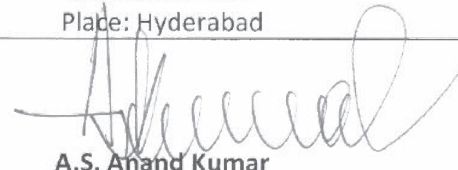


Form A
(Unqualified/ Matter of Emphasis Report)

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 st March, 2014
3	Type of Observation	Un-qualified
4	Frequency of observation	Not Applicable
5	Signatures:	
	Managing Director	 Y. Kamesh Date:12.08.2014 Place: Hyderabad
	Vice-President Finance	 Smt. S. Kalyani Date:12.08.2014 Place: Hyderabad
	Auditor of the Company	  R.V. Srihari Mem. No. 21961 Firm Reg. No. 004671S Date:12.08.2014 Place: Hyderabad
	Audit Committee Chairman	 A.S. Anand Kumar Date:12.08.2014 Place: Hyderabad



Sujana Towers Limited

**7th ANNUAL
REPORT**
2013 - 2014



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE	:	Shri A.S. Anand Kumar Shri M.V. Bhaskara Rao Shri L.V. Rao Shri S. Hanumantha Rao
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MANAGEMENT COMMITTEE	:	Shri Y. Kamesh Shri G. Srinivasa Raju Shri S. Hanumantha Rao Shri M.V. Bhaskara Rao
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SHARE TRANSFER COMMITTEE	:	Shri G. Srinivasa Raju Shri M.V. Bhaskara Rao Shri S. Hanumantha Rao
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SHAREHOLDERS' GRIEVANCES COMMITTEE	:	Shri S. Hanumantha Rao Shri G. Srinivasa Raju Shri M.V. Bhaskara Rao
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NOMINATION & REMUNERATION COMMITTEE	:	Shri A.S. Anand Kumar Shri M.V. Bhaskara Rao Shri S. Hanumantha Rao
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CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE	:	Shri G. Srinivasa Raju Shri M.V. Bhaskara Rao Shri S. Hanumantha Rao
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RISK MANAGEMENT COMMITTEE	:	Shri G. Srinivasa Raju Shri M.V. Bhaskara Rao Shri S. Hanumantha Rao
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VICE-PRESIDENT (FINANCE)	:	Smt. S. Kalyani
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COMPANY SECRETARY	:	Shri L. Narasimha Rao
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STATUTORY AUDITORS	:	M/s. Venugopal & Chenoy Chartered Accountants Tilak Road, Hyderabad
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SUJANA TOWERS LIMITED

COST AUDITORS	:	M/s Nageswara Rao & Co. Cost Accountants, Secunderabad
INTERNAL AUDITORS	:	Shri M. Balaramkrishnaiah Chartered Accountant, Hyderabad
BANKERS	:	IDBI Bank Limited Central Bank of India Punjab National Bank Andhra Bank UCO Bank Karnataka Bank Limited Exim Bank Limited
FINANCIAL INSTITUTIONS	:	Sicom Limited L&T Infrastructure & Finance Co. Ltd.
REGISTERED OFFICE	:	Plot No.41, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082
WORKS	:	(i) Plot No. 128 Part, Sy.No.172/B, I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, Telangana (ii) Plot No. 10, 11 and 12, Sy. No.172 I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, Telangana (iii) Plot No. 9, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, Telangana (iv) Plot No.8 B & C, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, Telangana (v) Sy. No. 321, Turkala Khanapur Village - 502 201 Hatnur Mandal, Medak Dist. Telangana
LISTING	:	Equity Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-kurla Complex Bandra (E), Mumbai - 400 051 Global Depository Receipts (GDRs) Luxembourg Stock Exchange Societe de la Bourse de Luxembourg B.P. 165, L - 2011, Luxembourg
REGISTRAR & SHARE TRANSFER AGENTS	:	M/s. Bigshare Services (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 7th Annual General Meeting of the Members of Sujana Towers Limited will be held on Tuesday, the 30th day of September, 2014 at “Kohinoor”, Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana at 12.30 p.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon
2. To appoint a director in place of Shri Y.S. Chowdary, (DIN-00061477), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Venugopal & Cheney (Regn. No.004671S), Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 10th Annual General Meeting (i.e., for three Financial Years) pursuant to provisions of Section 139 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule No. 3 of the Companies (Audit and Auditors) Rules, 2014 and to authorise the board to fix their remuneration, subject to ratification of the members at every Annual General Meeting.

SPECIAL BUSINESS

4. **To appoint Shri A.S. Anand Kumar (DIN-00058292) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory

modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Shri A.S. Anand Kumar (DIN-00058292), who was earlier appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri A.S. Anand Kumar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation.

5. **To appoint Shri M.V. Bhaskara Rao (DIN-01526381) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Shri M.V. Bhaskara Rao (DIN-01526381), who was earlier appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri M.V. Bhaskara Rao as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation.

6. To appoint Shri L.V. Rao (DIN-02754292) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Shri L.V. Rao (DIN-02754292), who was earlier appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri L.V. Rao as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 to 29th September, 2019, whose period of office shall not be liable to retire by rotation.

7. To approve the Borrowing Limits along with guarantee or counter-guarantee and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution passed pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 by the members of the Company through Postal Ballot on 8th October, 2011 and pursuant to the provisions of section 180(1)(c) and other applicable provisions of the Companies Act, 2013 [including and statutory modifications(s) or re-enactment thereof, for the time being in force], and that of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) for borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing

guarantee or counter-guarantee and any other type of credit line or facilities, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company bankers in the ordinary course of business) including rupee equivalent foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, provided however the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed Rs 3000 Crores (Rupees three thousand crores only).

RESOLVED FURTHER THAT the Board be and are hereby authorized do and execute all acts on behalf of the company all documents and forms relating to the above credit lines and to secure the facilities by hypothecation of present and future raw materials belonging to the company and lying in any godown, factory or anywhere in India, stock of stores, work-in-progress and finished goods and book debts, and that the company do create an equitable mortgage on the fixed assets of the company in favour of the Banks/Financial Institutions/NBFC’s by depositing the title deeds in relation thereto, as collateral security for the credit facility made available to the company.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/paripassu with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties.

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

8. To mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 6th Annual General Meeting of the Company held on 30th September, 2013 pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013 [including and statutory modifications(s) or re-enactment thereof, for the time being in force], and that of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to hypothecate/ mortgage and/or charge and/or encumber in addition to the hypothecations/mortgages and/or charges and/or encumbrances created by the Company, in such form and manner and with such ranking and at such time (s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the company wherever situated both present and future, and /or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertakings(s) of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of the Company’s Bankers/ Financial Institutions/other investing agencies and trustees for the holder of Debentures/ Bonds/other instruments/securities to secure any Rupee/Foreign Currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures/Instruments, and /or Compulsorily or Optionally, Fully/ Partly Convertible Debentures/Instruments, within the overall ceiling prescribed by the Members of the Company in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/paripassu with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties.

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

9. To approve and adopt the new set of Articles of Association of the Company in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under [including and statutory modifications(s) or re-enactment thereof, for the time being in force], the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.”

10. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modifications(s) or re-enactment thereof, for the time being in force],

SUJANA TOWERS LIMITED

the remuneration of Rs. 2.00 lakhs (Rupees Two Lakhs Only) plus service tax as applicable and reimbursement of actual expenses, to be paid to M/s. Nageswara Rao & Co., (Regd. No.000332) Cost Auditors of the Company, for the financial year 2014-2015, as approved by the Board of Directors of the Company, be and is hereby ratified.

By order of the Board

Y. Kamesh
Managing Director

Place : Hyderabad

Date : 28th August, 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. An explanatory statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 4 to 12 of the notice is annexed hereto.
4. Copy of the draft letters for respective appointments of Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao, as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also available @ www.sujana.com.

5. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Director seeking appointment/re-appointment at the Annual General Meeting, is annexed hereto.
6. The Share Transfer Books and Register of Members of the Company will remain closed on Thursday 25th September, 2014 (One day only).
7. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
8. The registration of share transfers and other related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
9. 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.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants Members holding shares in physical form can submit their PAN details to the Companies RTA.
11. Electronic copy of the Annual Report for 2013-14 (including Notice of the 7th Annual General Meeting of the Company along with Attendance Slip and Proxy) is being sent

to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 are being sent in the permitted mode.

12. Members holding shares in electronic form are requested to update the email id with their respective Depository Participants to receive all the communications in electronic mode.
13. Members may also note that the Notice of the 7th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.sujana.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection by the members of the Company during normal business hours on working days.
14. Members/Proxies are requested to kindly take note of the following:
 - a. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
 - b. Folio No./DP & Client ID No. may please be quoted in all correspondence with the Company and or the RTA.
15. The financial statements (and documents required to be attached thereto), Auditors' Report and Board's Report of the Company were prepared as per the relevant provisions/schedules/rules of the Companies Act, 1956 as notified by the MCA vide its General Circular No.08/2014 dated 04.04.2014.
16. Pursuant to provisions of Section 108 of the Companies Act, 2013 and read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions set forth in the notice.

The e-voting facility will be available on and from 22nd September, 2014 at 9.30 a.m. and ends on 24th September, 2014 at 6.00 p.m.

Shri Y. Ravi Prasada Reddy, Practicing Company Secretary, Hyderabad, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

17. The results of the e-voting along with votes polled at the AGM through ballot by the members, will be declared on or after the AGM of the Company. The said results shall be placed on the website of the Company www.sujana.com within 2 days of the AGM.

Instructions for members for voting electronically are as under :

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "Shareholders" tab.
- iii. Now, select the "COMPANY NAME (i.e., Sujana Towers Limited)" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. For CDSL Clients: 16 digits beneficiary ID.
 - b. For NSDL Clients: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.

SUJANA TOWERS LIMITED

- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in CAPITAL letters, as recorded in the members register and followed by the number of shareholdings (not exceeding 8 digits) in the PAN field. In case the number of shares is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. Eg., if your name is Ramesh Kumar with number of shares is '1' then enter 'RA00000001' in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy

- A) Please follow all steps from Sl.No. (i) to Sl.No. (xvii) above to cast vote.
- B) The voting period begins on 22nd September, 2014 at 9.30 a.m. and ends on 24th September, 2014 at 6.00 p.m. (both days inclusive). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 12th September, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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

The following statement sets out all material facts relating to the business mentioned in Item No. 4 to 10 of the accompanying Notice:

Item Nos. 4, 5 & 6

Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao have been appointed as Independent Directors of the Company, at various occasions, pursuant to clause 49 of the listing agreement, whose office was liable to retirement by rotation. With the enactment of the Companies Act, 2013 ('the Act') it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in section 149 of the Act, which has been notified w.e.f. 1st April 2014, who are not liable to retire by rotation and shall hold office for a term up to 5 (five) consecutive years. The Securities and Exchange Board of India (SEBI) has also amended Clause 49 of the Listing Agreement inter alia stipulating similar conditions for the appointment of Independent Directors by a Listed Company.

Accordingly, it is proposed to appoint Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao as Independent Directors under Section 149 of the Act and Clause 49 (revised) of the Listing Agreement to hold office for 5 (five) consecutive years from 30th September 2014 to 29th September, 2019.

The Company has received declarations from Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao that they meet with criteria of Independence as prescribed both under sub-section (6) of Section 149, 164 (not disqualified from being appointed as Directors) of the Act and under Clause 49 of the Listing Agreement and the details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure to the Notice.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of each of Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao for the office of Directors of the Company.

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri A.S. Anand Kumar, Shri M.V. Bhaskara

SUJANA TOWERS LIMITED

Rao and Shri L.V. Rao fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act and Clause 49 of the Listing Agreement.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao as an Independent Directors. Accordingly, the Board recommends the resolution in relation to appointment for the approval by the shareholders of the Company.

Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao are interested in the resolutions set out respectively at Item Nos. 4, 5 & 6 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Your Directors recommend the resolution as at Item Nos. 4,5 & 6 for your approval.

Item No. 7

The members of the Company through postal ballot passed a resolution on 8th October, 2011 pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed 3000 Crores (Rupees three thousand crores only).

Taking into consideration the requirements of additional financial resources to meet the Company's capital expenditure programmes, including proposed investments in Indian and overseas subsidiaries in pursuit of horizontal and vertical integration in towers business and its expansion and acquisition plans, the said limit of

3000 Crores (Rupees three thousand crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves, is utilized to a considerable extent. The resolution as at Item No. 8 is being proposed in view of the provisions contained in Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution except to the extent of their shareholdings.

Your Directors recommend the resolution as at Item No. 7 for your approval.

Item No. 8

Vide the resolution passed by the Members of the Company at the 6th Annual General Meeting of the Company held on September 30, 2013, the Members had pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, authorised the Board of Directors to hypothecate/mortgage and/or charge in addition to the hypothecations/mortgages and/or charges created by the Company, all or any part of the movable and/or immovable properties of the Company, wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company, to secure the borrowings of the Company, within the overall ceiling prescribed by the Members of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

It is proposed to seek fresh consent of the Members in terms of Section 180(1)(a) of the Companies Act, 2013, to mortgage, create charges and or/ hypothecate and/or encumber the Company's properties as and when necessary to secure any Rupee/foreign currency loans, guarantee assistance, standby letter of credit/letter of credit, and/or any issue of non-convertible debentures, and/or compulsorily or optionally, fully or partly convertible debentures and/or bonds, and/or any other non-convertible and/or partly/fully convertible instruments/securities, from time to time, within the overall ceiling prescribed by the Members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is

concerned or interested in the resolution except to the extent of their shareholdings.

Your Directors recommend the resolution as at Item No. 8 for your approval.

Item No. 9

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. Importantly, the substantive sections of the Companies Act, 2013 which deal with the general working of companies stand notified.

The existing Articles of Association (“AoA”) of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956, but some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013. With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered expedient to wholly replace the existing AoA by a new set of AoA

The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013.

The proposed new draft AoA is being uploaded on the Company’s website for perusal by the shareholders and a copy of the same will be placed at the Venue of the Annual General Meeting for inspection by the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution except to the extent of their shareholdings.

Your Directors recommend the resolution as at Item No.9 for your approval.

Item No. 10

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 30th May, 2014, has approved the appointment and remuneration of the M/s. Nageswara Rao & Co., Cost Accountants in practice, as Cost Auditors of the

Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on a remuneration of Rs. 2.00 lakhs

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Your Directors recommend the resolution as at Item No.10 for your approval.

By order of the Board

Y. Kamesh
Managing Director

Place: Hyderabad

Date: 28th August, 2014

SUJANA TOWERS LIMITED

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

(in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Y.S.Chowdary	Shri A.S. Anand Kumar	Shri M.V. Bhaskara Rao	Shri L.V. Rao
Date of Birth	02.06.1961	10.07.1947	13.04.1940	18.09.1947
Date of Appointment	06.04.2006	28.04.2007	03.09.2007	29.07.2009
Expertise in specific functional areas	Shri Y.S.Chowdary is a Promoter and Non Executive Director of the Company. He is 52 years old. He has distinguished himself as a technocrat entrepreneur and had played a bigger role in establishing the Sujana Group of Companies. He has been a constant driving force of fostering higher growth amongst all the group companies. Shri Y.S.Chowdary has in depth knowledge and has a deep insight into the domestic and global steel products industry.	Shri A.S.Anand Kumar is a Professional and Independent Director of the Company. He is 67 years old He Had a rich and vast experience in the field of finance and banking in India and abroad for a period of 38 years. He had worked in various senior positions in different Merchant Banking Institutions. Thus, his presence on the Board will be highly beneficial to the Company	Shri M.V.Bhaskara Rao is a Professional and Independent Director of the Company. He is 74 years old. He was a Retired Indian Police Service (IPS) having a Master Degree holder in Economics and did Diploma in Business Management. Having more than 32 years of service in various capacities of Indian Police and retired as Director General, Civil Defence on 9th June, 1997.	Shri L.V.Rao is a Professional and Independent Director of the Company. He is 67 years old. He had a rich and vast experience in the field of finance and banking in India and abroad for a period of 35 years.
Qualifications	Master Degree in Engineering with specialization in Machine Tools form P.S.G.College of Technology, Coimbatore.	Masters in Mathematics from Madras University. He is also a Certified Associate of Indian Institute of Bankers.	Retired Indian Police Service (IPS) having a Master Degree holder in Economics and did Diploma in Business Management.	Bachelor of Engineering (Electrical) from Osmania University, Hyderabad and a Gold Medalist.
Directorship held in other public companies (excluding foreign companies)	<ol style="list-style-type: none"> 1. Sujana Metal Products Limited 2. Sujana Power (Gangikondan) Limited 3. Sujana Power (Tuticorin) Limited 4. Sujana Holding Limited 5. Sujana Projects Limited 6. Sujana Energy Limited 7. Sujana Power (India) Limited 8. Sujana Universal Industries Limited. 9. Yalamanchili Finance and Trading Pvt. Limited 10. Sujana Finance and Trading Pvt. Limited 11. Foster Infin and Trading Pvt. Limited 	<ol style="list-style-type: none"> 1. Value Vision Consultants Pvt. Limited 2. Shaily Engineering Plastics Limited 3. VV Corporate Financial Services Pvt. Limited 4. Chakee Capital Management Pvt. Limited 	<ol style="list-style-type: none"> 1. Indiyana Infra Developers Pvt. Limited 2. Metkore Alloys and Industries Limited 	<ol style="list-style-type: none"> 1. Yuvaraj Power Projects Limited 2. Sowbhagya Energy Pvt. Limited 3. Bee Pee Power Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee) C=Chairman, M=Member	Nil	Audit Committee (C) Shaily Engineering Plastics Limited	Nil	Nil
Shareholdings in the Company	3,75,657 Equity share of Rs. 10/- each (0.72%)	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the Seventh Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2014.

1. Company's Performance

Your Directors hereby report that the Company has achieved a turnover of Rs.1,80,098.61 lakhs upto 31.03.2014, as against the turnover of Rs.1,79,830.23 lakhs during the previous financial period ended 31.03.2013.

The highlights of the financial results are as follows:

(Rs. in lakhs)

Particulars	Financial Year ended 31st March, 2014	Financial Year ended 31st March, 2013
Profit before Depreciation and Interest	22,552.00	17,539.65
Interest	20,030.91	14,667.33
Depreciation	2,254.56	2,216.32
Profit before tax	266.53	656.00
Provision for		
- Current tax	105.55	131.31
- Deferred tax	(19.07)	152.07
Profit after tax	180.05	372.61
Dividend on CRPS	3.26	3.47
Profit carried to Balance Sheet	176.79	369.14

2. Review of Operations

The Company achieved a turnover of Rs.1,80,098.61 lakhs and earned profit after tax of Rs. 180.05 lakhs. The Gross Block as on 31.03.2014 stood at Rs. 60,371.11 lakhs and the Net Block as on 31.03.2014 stood at Rs.45,876.03 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.

4. Subsidiaries

a. Digitech Business Systems Limited

The operations of M/s. Digitech Business Systems Limited have been picked up and able to sustain in the market with a small margin. We have stepped up the marketing activities and planning to improve the activities during 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. The company is taking remedial measures to improve situation during 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, 2014 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. Industrial Relations

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

7. 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.

8. Dividend

As per the terms of issue of Cumulative Redeemable Preference Shares (CRPS), your Company is required to pay the dividend of Rs. 278,250/- (Previous year Rs.2,96,800/-) which represents 1% on 2,47,335 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.47,290/- (Previous year Rs.1,26,100/-).

During the period under review 49,460 1% Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each were redeemed as per the terms and conditions of the CRPS.

9. Directors

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Shri Y.S. Chowdary, Chairman and Director of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

In accordance with the provisions of Companies Act, 2013 and the Listing Agreement, the office of directorship of Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao, existing Independent Directors pursuant to Clause 49 of the listing agreement, with the enactment of the Companies Act, 2013 ('the Act') it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in Section 149 of the Act, which has been notified w.e.f. 1st April 2014, who are not liable to retire by rotation and shall hold office for a term up to 5 (five) consecutive years. Accordingly, it is proposed to appoint Shri A.S. Anand Kumar, Shri M.V. Bhaskara Rao and Shri L.V. Rao, as Independent Directors under Section 149 of the Act and Clause 49 (revised) of the Listing Agreement to hold office for 5 (five) consecutive years from 30th September, 2014 to 29th September, 2019, whose office shall not be liable to retire by rotation, at the ensuing Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

10. Directors' Responsibility Statement

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

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

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

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

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

12. Code of conduct

As the New Companies Act, 2013 has been made effective from 01st April, 2014 which replaces the erstwhile Companies Act, 1956 (to the extent of notified sections) and the provision of Section 149(8) requires that the Audit Committee shall review and recommend to the Board for their approval, the Code of Conduct for the Independent Directors. In this connection, the draft Code of Conduct for Independent Directors was placed before the Board along with the recommendations of the Audit Committee and the same was approved by the Board in the Meeting held on 30th May, 2014.

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on Companies website. Board Members and Senior Management personnel have affirmed Compliance with the Code for the financial year 2013-14. A separate declaration to this effect is made out in the Corporate Governance Report.

SUJANA TOWERS LIMITED

13. Statutory Auditors

The Statutory Auditors of the Company, M/s Venugopal & Chenoy, Chartered Accountants, Hyderabad, (Firm Registration Number: 004671S), who retire at the conclusion of ensuing Annual General Meeting, being eligible, offer themselves for re-appointment for a term of 3 (Three) years i.e., from the conclusion of this Annual General Meeting to the conclusion of the 10th Annual General Meeting in accordance with Section 139 of the Companies Act, 2013.

14. 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.

15. 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 31.03.2014 is 172.

16. 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.

17. 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.

18. 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.

19. 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).

20. Fixed Deposits

Your Company has not accepted any fixed deposits from the public and is therefore, not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

21. Cost Auditors

M/s Nageswara Rao & Co., Cost Accountants, Secunderabad, (Regn.No.000332) Hyderabad were re-appointed as Cost Auditors of the Company for the Year 2014-15 as per the provisions of the Companies Act, 1956/2013 and the rules made there under.

Cost accounting records for the year ended 31st March, 2014 were maintained as per the Companies (Cost Audit Report) Rules, 2011. The Cost Auditor has submitted the report along with their observations and suggestions, and Annexure to the Central Government within the stipulated time period.

22. Corporate Social Responsibility

Pursuant to the provisions of Section 135 the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility Committee to monitor the Corporate Social Responsibility Policy of the Company from time to time and to recommend the amount of expenditure to be incurred on the activities related to CSR.

Your Company is committed socially not only to compliances of all the statutory laws and regulations but also actively participates in the improvement of quality of life of society at large. Your Company has a strong sense of community responsibility. Your Company follows the policy which is more and more beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around its area of operation thereby promoting upliftment of people in varied arenas of life.

Your Company has retained collective focus on the various areas of corporate sustainability that impact people, environment and the society at large. Founded on the philosophy that society is not just another stakeholder in its business, but the prime purpose of it, your Company, across its various operations is committed to making a positive contribution.

23. Whistle Blower Policy and Vigil Mechanism

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the Directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

24. Reconstitution of various committees of Board of Directors

Board of Directors of the Company, in accordance with Section 177 and 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and amended Clause 49 of the Listing Agreement, has reconstituted and widened the various Committees of the Board.

Accordingly, the Company has renamed its existing Remuneration Committee as Nomination and Remuneration Committee and have delegated to it powers as required under section 178 of the Act. Pursuant to Clause 49 (VI) of the listing agreement, your Company has constituted Risk Management Committee for framing, implementing and monitoring the risk management plan for the Company.

The scope of Audit Committee has also been widened so as to bring it in accordance with the requirement of the Section 177 of the Companies Act, 2013. The Company has also constituted a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013.

25. 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.

26. 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.

SUJANA TOWERS LIMITED

27. Explanations to any qualifications in Auditors' Report

There are no adverse remarks in the Auditors' Report dated 30th May, 2014. However, the status on the disputed statutory dues is mentioned in Point No.(ix) (b) & (ix) (c) of Notes on Financial Statements.

28. 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: 28.08.2014

Annexure to the Directors' Report

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	31.03.2014	31.03.2014	31.03.2014
2.	(a) Number of Shares held by the Company at the end of the financial year of the Subsidiary Company	233,204,400	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) (Rs. in lakhs)	118.30	(1.60)	(1096.58)
	(b) For the previous financial years since it became Subsidiary (Rs. in lakhs)	(1.77)	(2.01)	(360.58)
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 (Rs. in lakhs)	—	—	—
	(b) For the previous financial years since it became subsidiary (Rs. in lakhs)	—	—	—

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	17968.64	246.04	18214.68	18214.68	-	13583.17	139.68	21.38	118.30	-
STL Africa Limited	0.07	12409.34	12409.41	12409.41	-	-	(1.60)	-	(1.60)	-
Telesuprecon Limited	0.60	(7354.94)	1099.18	1099.18	-	11.91	(1096.58)	-	(1096.58)	-

By order of the Board

S. Hanumanth Rao
Director

Y. Kamesh
Managing Director

Place: Hyderabad
Date: 28.08.2014

SUJANA TOWERS LIMITED

ANNEXURE - 1

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

CONSERVATION OF ENERGY	
a) Energy Conservation	To achieve the savings in energy consumption, the Company has taken steps to minimize the heat loss in the Zinc plant; Change into CFL lighting wherever feasible; install the photo switches for switching off the yard and peripheral lighting; etc.
b) Additional investment and proposals if any, being implemented for reduction of consumption of energy	-- NIL -
c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production	Not Applicable
d) Total energy consumption and energy consumption per unit of production:	As per Form A.
B. TECHNOLOGY ABSORPTION	
e) Efforts made in technology absorption:	As per form B.
C. FOREIGN EXCHANGE EARNINGS & OUTGO	
f) Activities relating making efforts, export initiatives taken for exports to increase exports, growth, development of new export markets for products and services and export plans:	The Company has made all efforts to achieve continuous export business growth.
g) Total foreign exchange earned and used:	Earned : Rs. 2,605.15 lakhs and Used : Rs. 2,746.06 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

	2013-14	2012-13
1. Electricity		
Units (KWH)	25,12,064	26,46,188
Total amount (Rs.)	2,49,28,246	1,92,17,522
Rate/units (Rs.)	9.92	7.26
2. Coal		
Quantity (Tonnes)	3,460.10	2,922.00
Total Cost (Rs.)	2,07,04,387	1,83,35,114
Average Rate (Rs.)	5,983.75	6,274.85
3. Furnace Oil		
Quantity (Ltrs.)	3,09,372	3,38,037
Total Cost (Rs.)	1,36,83,513	1,39,40,936
Average Rate (Rs.)	44.23	41.24

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

Electricity (KWH) : 56.65

Coal (Tonnes) : 0.12

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: 28.08.2014

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 Government of India, having recognised the necessity to improve upon the existing archaic power transmission and distribution system concomitantly along with investment in generation of power in the country, has drawn up ambitious plans for connecting the whole country with a common power grid and to electrify all houses in the country by 2016 & 2020. There are separate agencies and plans for translating the objects of the government into reality.

Government having addressed the issue of power generation, has begun the serious efforts to reduce the T&D losses from the peak 19% to about 6.5% in the next 5 years. This ambitious target calls for revamping of the entire power distribution mechanism in the country, which includes increasing the transmission voltages and making the system more and more tamper proof. The country started upgrading its grid capabilities under the aegis of PGCIL (Power Grid Corporation of India) from the existing 132 / 220 kV to 400 / 765 kV to bring the country's power transmission system at par with other nations. The plans are on anvil to create a national back bone with transmission capability of 1200 kV in the next five year plan. This has resulted in a very bright business opportunity for Sujana Towers as the demand for its products has witnessed a huge surge.

It is estimated that the power demand of the country grows at a scary rate of 11% per year and this factor alone calls for mega investments in the power sector in the coming decade.

The advent of Nuclear Power Era in the country, while addressing the demand for the generation of the power, is expected to open another market front for the products of the Company. The focussed power generation by nuclear plants call for massive power evacuation lines to transmit the power generated by these mega power stations to the country's grid. This holds another exciting business opportunity for the company.

Growth plans

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

1. Transmission Towers;
2. Telecom Towers;
3. Substation Structures;
4. Power Cables upto 33kV;
5. Over Head Conductors;
6. Technological Structures Fabrication;
7. TSP for telecom sector.
8. EPC – Projects division for Transmission line projects.
9. Steel Re-Rolling;
10. Transmission Projects – Design, Solutions & Consulting.
11. Galvanised TMT & Epoxy Coated TMT products.

Sujana's Competitive Strengths:

1. Vertically Integrated & approved manufacturing facilities;
2. Huge installed capacity to meet customer dead lines;
3. Three galvanising kettles to ensure absolute quality and longevity of the product;
4. TQM through control over deliverables on account of the total in house manufacturing;
5. Total Service Provision for entire passive telecom infrastructure.
6. Entire range of products for transmission lines except control gear – one stop solution;
7. Manufacturing of steel accredited by PGCIL – the highest approval;
8. In house designing facilities to ensure optimum design;1
9. Total technical and tactical support to the customer resulting in better project management;
10. Only manufacturer in the country with this vast product range;
11. Demonstrated capability to design, produce, test and commission Telecom Towers and Transmission lines upto 400 kV.
12. Can meet the demands of the fast emerging 765 kV lines in the country.

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

Even though the consumer base statistics have witnessed rapid and double digit growth, this, in the last three years has not translated into business opportunities for the company due to the advent of the "Multi Tenant" Policy. This means that an existing telecom tower can host the infrastructure of more than one service provider. Due to the factor of safety already built in, some towers could accommodate upto three tenants. This has caused a steep decline in the demand for the telecom towers during 2005-2008. Most of the operators in order to rationalise their costs have fixed their equipment on the existing towers. This situation was further compounded by entry of new players into the country. Every new telecom operator has first started ops in the metro area, resulting into crowding of the towers. Thus, the threat posed by the multitenancy has greatly receded.

However, having seen the demand curve flattening in the already saturated metro & urban areas, the telecom operators have started roll out in the Semi Urban and Rural areas which has opened another demand front for the telecom towers made by the company.

Another demand driver for telecom towers is the 3G policy of the government. This opens up two opportunities for the company: (i) Supply of new towers to enable the rural roll out; (ii) Augmenting the existing towers structurally to withstand the load withstand & safety factor demands raised by placement of the 3G antennae and dishes.

BSNL, the state player has recently floated tenders worth Rs. 15,000 Cr for roll out of about 1.8 Million towers / tower parts in the next three to five years (on an estimated price of Rs.8 Million per tower. This is another exiting opportunity for the company.

B. PERFORMANCE

The Company achieved a turnover of Rs.1,80,098.61 lakhs and earned profit after tax of Rs. 180.05 lakhs. The Gross Block as on 31.03.2014 stood at Rs. 60,371.11 lakhs and the Net Block as on 31.03.2014 stood at Rs.45,876.03 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

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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.

After bifurcation from the Andhra Pradesh, the availability of Power remains very critical in Telengana and this is forcing your Company to look for opportunities in other states like Gujarat, Assam & Chhattisgarh.

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

The process of setting up the national grid was initiated with the formation of the central sector power generating and transmission companies, NTPC, NHPC and Power Grid. Power Grid was made responsible for planning, constructing, operating and maintaining all inter-regional links and taking care of the integrated operation of national and regional grids. The national grid, when fully operational, is expected to have a total inter-regional transmission capacity of 37,150 MW. It is expected to be fully operational by around 2016. Setting up a national grid requires the gradual strengthening and improvement of regional grids and their progressive integration through extra high voltage and HVDC transmission lines.

To further strengthen the pace of rural electrification, and with an objective to electrify all villages and rural households within five years, the Government of India launched the Rajiv Gandhi Grameen Vidyutikaran Yojana ("RGGVY") programme. RGGVY aims to create a rural electricity distribution backbone by providing for substations, distribution transformers and decentralized distribution generation systems where grid supply is not feasible. The RGGVY scheme identified approximately 112,400 villages and over 56% of rural households that were still to be electrified and which require huge investment.

The opportunities all over the globe seems to be very encouraging since all most all the countries are embarking upon ambitious power distribution plans. Bangladesh, Middle East, Central Asia and West Africa should be the target countries for our exploration. In addition to these, if the proposed SAARC grid fructifies, the opportunities would be immense.

Thus, it can be safely concluded that the country is irreversibly embarked on improving its power generation multi fold. This, coupled with the need to improve the existing power delivery mechanism, call for a total revamp and massive investments in the transmission sector. Infact, PGCIL (Power Grid Corporation of India Ltd.) is going to be the key driver in transmission modernisation and with the huge investments planned, the demand for the transmission products of Sujana will grow and continues to grow.

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

Particulars	Equity Shares (in Nos.)	Cumulative Redeemable Preference Shares (in Nos.)	Capital in Rs.
Paid-up capital on 31.03.2013	51,91,49,230	2,96,795	54,88,28,730
Less: redeemable Preference Shares redeemed during the year	--	49,460	49,460
Paid-up capital on 31.03.2014	51,91,49,230	2,47,335	54,38,82,730

2. Reserves & Surplus

In 2013-14 year, the reserves stand at Rs.71,671.48 Lakhs against Rs. 71,494.68 Lakhs in 2012-13. The increases in reserves are Rs.176.80 lakhs. The increase in reserves is on account of current year profit.

3. Long Term Borrowings

(Rs. in Lakhs)

Particulars	2013-14	2012-13	Change	Change %
Long Term Borrowings	103,863.57	44,358.88	59,504.69	134.14

Long term borrowings are increased by Rs.59,504.69 due to increase in long term loans due WCTL, interest on WCTL converted as FITL Taken from banks and Increase in Promoters contribution as per CDR package .

4. Short Term Borrowings

(Rs. in Lakhs)

Particulars	2013-14	2012-13	Change	Change %
Short Term Borrowings	64,852.33	69,581.02	(4,728.70)	(6.80)

Short term borrowings decreased by Rs.4728.70 lakhs due to decrease in working capital loans due to conversion to WCTL during the year as per CDR package.

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5. Net Worth

The net worth of the Company as on 31st March, 2014 is Rs. 76,862.97 lakhs against Rs.76,686.17 lakhs in 2012-13. The increase in the Net worth is about Rs.176.80 lakhs when compared to net worth at the end of previous financial year.

6. Fixed Assets

(Rs. in Lakhs)

Particulars	2013-14	2012-13	Change	Change %
Tangible assets	60,353.97	48,855.81	11498.17	23.53

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	2013-14	2012-13	Change	Change %
Non-current Investments	13,993.74	13,998.68	(4.94)	(0.04)

8. Long-term loans and advances

(Rs. in Lakhs)

Particulars	2013-14	2012-13	Change	Change %
Long-term loans and advances	32,061.53	43,477.98	(11416.45)	(26.26)

Loans and advances decreased by Rs.11,416.45 lakhs which is capitalization of assets from capital advances.

9. Short-term loans and advances

(Rs. in Lakhs)

Particulars	2013-14	2012-13	Change	Change %
Short-term loans and advances	2,219.79	5,872.67	(3,652.88)	(62.20)

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	2013-14	2012-13	Change	Change %
Trade Receivables	1,99,923.79	1,38,540.72	61,383.07	44.31

Increase in trade receivables is majorly due to non realization of receivables and late payments by EPC customers and increase in new customer base.

11. Trade Payables

(Rs. in Lakhs)

Particulars	2012-13	2012-13	Change	Change %
Trade Payables	24,598.40	37,920.42	(13322.03)	(35.13)

12. Inventories

(Rs. in Lakhs)

Particulars	2013-14	2012-13	Change	Change %
Raw Materials	1246.19	693.59	552.60	79.67
Work-in-progress	3,769.69	2,514.43	1,255.26	49.92
Finished goods	1450.55	764.16	686.39	89.82
Goods-in-transit	-	852.40	(852.40)	(100.00)
Stores and spares	335.25	796.75	(461.50)	(57.92)
Total	6,801.68	5,621.34	1180.35	21.00

The average inventory holding in terms of number of days as on 31 March 2014 was 33 days vis-à-vis 37 days as on 31 March 2013. The increase in inventory is majorly on account of increase in raw material and work-in-progress.

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 it’s employees enabling them to improve I 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 it’s core business strategy. Over the years, the Sujana Group is sharing it’s success and resources with those less privileged in society through community involvement.

The Company has constituted a Committee viz., Corporate Social Responsibility (CSR) Committee also to comply the provisions of the Companies Act, 2013.

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

The Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. The Company's governance structure including systems, processes and principles enable the Company to realise its long term goals. This is reflected in its sense of principles, which focuses on integrity and fairness in all dealings, which are periodically disclosed in the most transparent manner possible. The Company's business strategy focuses on creating sustainable long term value for all its stakeholders including members, customers, partners, employees and the society at large.

The entire governance structure is actively supervised by a Board of Directors, who oversee management activities and ensures their effectiveness in delivering member value. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

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 an Independent and Non-Executive Chairman and the number of Independent Directors are one-third of the total number of Directors as required by Clause 49. The number of Non-Executive Directors is more than 50% of the total number of Directors.

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

Accordingly, the Board of Directors of your Company consists of Eight (8) members, out of which one (1) is Independent & Non-Executive Chairman, one (1) is Managing Director, two (2) are Independent and Non-Executive Directors, three (3) are Promoters and Non-Executive Directors and one (1) is a Nominee Director of IDBI.

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other Companies.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956/2013.

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 M.V.Bhaskara Rao*	Independent & Non-Executive Director	Chairman	4	Yes
2	Shri Y.S. Chowdary	Promoter & Non-Executive Director	Director	1	No
3	Shri Y. Kamesh	Non-Promoter & Executive Director	Managing Director	4	Yes
4	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	Director	4	Yes
5	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	Director	4	Yes
6	Shri A.S.Anand Kumar	Independent Director	Director	4	No
7	Shri L.V. Rao	Independent Director	Director	3	Yes
8	Shri H. Biswas	IDBI Nominee	Director	2	No

*The Board of Directors of the Company at their meeting held on 28.08.2014 re-designated Shri M.V. Bhaskara Rao as Non-Executive Chairman of the Board in place of Shri Y.S. Chowdary.

The necessary quorum was present at the meetings.

No changes were took place in the Composition of Board of Directors since the date of last AGM held on 30.09.2013.

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 M.V.Bhaskara Rao	--	2	--	--
2	Shri Y.S. Chowdary	--	11	--	2
3	Shri Y. Kamesh	--	1	--	--
4	Shri G. Srinivasa Raju	--	11	2	2
5	Shri S. Hanumantha Rao	1	11	--	3
6	Shri A.S.Anand Kumar	--	4	1	1
7	Shri L.V. Rao	--	3	--	--
8	Shri H. Biswas	--	--	--	--

*Includes Private Limited Companies.

**Includes Audit Committee and Shareholders' Grievances Committee.

2. Board Procedure

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The Chairman and Managing Director are assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

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The Board has constituted Seven Standing Committees, namely Audit Committee, Management Committee, Share Transfer Committee, Shareholders Grievance Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Risk Management 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.

Four Board Meetings were held since 31.03.2013 (closure of last financial year) upto 31.03.2014 (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:

29th May, 2013, 14th August, 2013, 11th November, 2013 and 12th February, 2014.

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

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

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

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the new terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49 (III) (C) of the Listing Agreement.

The main objective of the Audit Committee of your Company is to monitor and effectively supervise the financial reporting process of your Company with a view to provide accurate, timely and proper disclosures. The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement, Section 292A of the Companies Act, 1956 and also with the provisions of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

The Board Functions of the Audit Committee includes, reviewing the adequacy of Internal Control Systems and the Internal Audit Reports and their compliance thereof.

2. Composition and Procedure of the Audit Committee

The Audit Committee of your Company comprises of three (3) 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 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 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 M.V. Bhaskara Rao	Member	4
3	Shri L.V. Rao	Member	4
4	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 30.09.2013.

Four meetings of the Audit Committee were held since 31.03.2013 (closure of last financial year) upto 31.03.2014 (closure of this financial period under review). The date on which, the Audit Committee Meetings were held were as below:

29th May, 2013, 14th August, 2013, 11th November, 2013 and 12th February, 2014.

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

IV. Nomination and Remuneration Committee

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on 30.05.2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;

1. Composition and other details of the Nomination and Remuneration Committee

The Nomination and 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:

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

There was no change in the composition of Nomination and Remuneration Committee since the date of last AGM held on 30.09.2013.

No Nomination and Remuneration Committee meeting was held during the financial year 2013-2014.

2. 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

3. 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.

4. Sitting Fee details

Sl.No.	Name of the Director	Sitting fee paid during the period 2013-14 in Rs.
1	Shri M.V. Bhaskara Rao	80,000
2	Shri A.S. Anand Kumar	80,000
3	Shri L.V. Rao	60,000
4	Shri H. Biswas	20,000

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 31.03.2014

Sl. No.	Name of the Member	Designation	No.of Shares held (equity shares of Rs. 10/- each)
1	Shri M.V.Bhaskara Rao	Independent & Non-Executive Chairman	Nil
2	Shri Y.S. Chowdary	Promoter & Non-Executive Director	3,75,657
3	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	1,80,184
4	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	7,000
5	Shri Y. Kamesh	Non-Promoter & Executive Director	Nil
6	Shri A.S.Anand Kumar	Independent Director	Nil
7	Shri L.V. Rao	Independent Director	Nil
8	Shri H. Biswas	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 A.S. Anand Kumar	Member
3	Shri M.V. Bhaskar Rao	Member

There was no change in the composition of Shareholders' Grievance Committee since the date of last AGM held on 30.09.2013.

No Shareholders' Grievance Committee Meeting was held during the financial year 2013-2014 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/complaints	Received	Resolved	Un-Resolved
No. of requests for change of address	8	8	Nil
No. of requests for transmission	1	1	Nil
Non-receipt of Share Certificates/Bonus Shares	Nil	Nil	Nil
Revalidation of Dividend Warrants	Nil	Nil	Nil
Letters from SEBI & Stock Exchanges	Nil	Nil	Nil
Issue of Duplicate Certificates	Nil	Nil	Nil
Non receipt of Demat Confirmations/Rejections	Nil	Nil	Nil
Others	3	3	Nil
TOTAL	12	12	Nil

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 6 (Six) 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 30.09.2013.

SUJANA TOWERS LIMITED

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 27 (twenty seven) times.

There was no change in the composition of Management Committee since the date of last AGM held on 30.09.2013.

VIII. Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 30.05.2014, have approved the constitution of the CSR Committee which comprises three directors viz. Shri G.Srinivasa Raju, Shri S.Hanumantha Rao and Shri M.V. Bhaskara Rao and defined the role of the Committee, which is as under:

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

IX. Risk Management Committee

In accordance with the revised Clause 49(VI) of the Listing Agreement entered by the Company with the Stock Exchanges, the Board of Directors of the Company at their meeting held on 30.05.2014, have approved the constitution of the Risk Management Committee comprises of Shri G.Srinivasa Raju, Shri S.Hanumantha Rao and Shri M.V. Bhaskara Rao.

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

X. General Body Meetings

The Financial Year 2013-2014 is the seventh 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	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.

2	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"> 1. Reappointment of Shri Y. Kamesh as Managing Director for a further period of 3 years w.e.f. 28.05.2013. 2. Reclassification of Authorised Share Capital. 3. Amendment of Capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company. 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. 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.
3	6th	30th September, 2013	Hotel Sitara, Residency, besides Chindana Brothers, Ameerpet, Hyderabad - 500 016.	12.00 Noon	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.

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

The following resolutions were passed by the members of the Company through postal ballot on 30th September, 2013. The details are as follows:

S. No.	Details of Resolution passed through postal ballot	Details of voting pattern	Person who conducted the postal ballot exercise
1	Special Resolution under Section 293(1) (a) of the Companies Act, 1956 to lease or transfer the whole, or substantially the whole of the undertaking(s) of the Company by way of Slump Sale.	No. of votes cast in favour of the resolution - 1,84,51,426 No. of votes cast against the resolution – 25	Shri Y.Ravi Prasada Reddy, Practicing Company Secretary, FCS No. 5783, CP No. 5360.

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

No special resolution passed through postal ballot during the period under review :

XI. 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. All transactions were carried out on an arm's length basis and were not prejudicial to the interest of the Company.

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. Whistle blower policy

In accordance with Section 177(9) of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 30.05.2014, have approved Vigil Mechanism Policy for its Directors and employees for adequate safeguards against victimization of persons and made provisions for direct access to the Chairperson of the Audit Committee to report the genuine concerns in such manner as may be prescribed in the policy.

4. Code of conduct for Independent Directors

In accordance with Section 149(8) of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 30.05.2014, have approved Code of conduct for Independent Directors.

5. 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.

6. 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.

7. It is confirm that no personnel has been denied access to the Audit Committe.

XII. 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.

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading Regulations, 1992 (duly Amended). The Board Members and Senior Personnel have affirmed the compliance with the Code for the financial year 2013-14.

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.

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 Independent 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.

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).

XIII. Means of Communication

1. Publication of Quarterly Financial Results in daily newspapers and the same will be updated in the Company’s Website at www.sujana.com.
2. Furnishing the Quarterly Financial Results to Stock Exchanges in which Company’s shares are listed.
3. Sending Balance Sheet, Statement of Profit & Loss, Directors’ Report and Auditors’ Report to Shareholders through Post.
4. 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.

5. NSE Electronic Application Processing System (NEAPS) & BSE Online.

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 and BSE Listing Centre in addition to the intimation of the meetings, outcomes of the meetings, postal ballot results, etc.

SUJANA TOWERS LIMITED

6. SEBI Complaints Redress System (SCORES)

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. No complaints were received during the period under review.

7. 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.

8. Chairman's Communiqué

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

XIV. General Shareholders information

1. Details pursuant to 7th AGM

1.	Date	30th September, 2014
2.	Time	12.30 p.m.
3.	Venue	"Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034, Telangana.
4.	Financial Year	2013-2014 (consisting of 12 months)
5.	Book Closure Date	Thursday, 25th September, 2014 (One day only)
6.	Dividend Payment Date	Not Applicable
7.	Listing details	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-kurla Complex Bandra (E), Mumbai - 400 051 Global Depository Receipts (GDRs) issued by the Company in the International Market have been listed on the Luxembourg Stock Exchange.
8.	Stock Codes	BSE Scrip Code : 532887 NSE Scrip Code : SUJANATOW Luxembourg Stock Exchange Code : US86507U1007 Demat ISIN : INE333I01036 CIN : L40109TG2006PLC049743
9.	Payment of listing fee	The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2013-14.
10.	Company Website	www.sujana.com
11.	E-Voting facility	The voting period begins on 22nd September, 2014 at 9.30 a.m. and ends on 24th September, 2014 at 6.00 p.m. (both days inclusive). Shareholders, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 12th September, 2014 may cast their vote electronically. Website : www.evotingindia.com

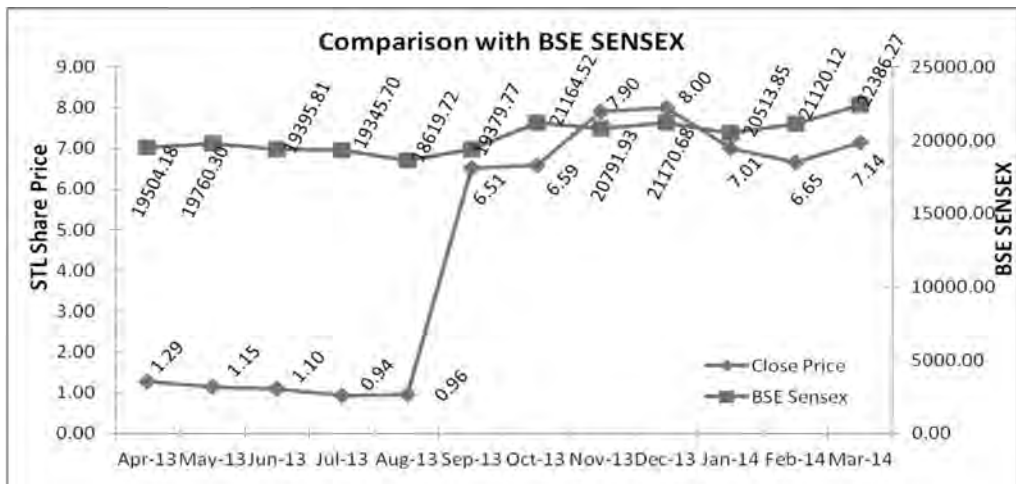
12.	Share transfer system	Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently, they are completing the process of transfers within a period of 10 to 12 days from the date of receipt, subject to the documents being valid and complete in all respects.
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2. Market Price Data

The trading of equity shares in the Bombay Stock Exchange Limited for the period from 01.04.2013 to 31.03.2014.

Month	High	Low	Close	BSE Sensex (Closing)
April, 2013	3.50	2.03	2.31	19504.18
May, 2013	2.34	1.29	1.29	19760.30
June, 2013	1.52	1.00	1.15	19395.81
July, 2013	1.33	0.96	1.10	19345.70
August, 2013	1.40	0.86	0.94	18619.72
September, 2013*	1.03	0.92	0.96	19379.77
October, 2013	10.08	6.40	6.51	21164.52
November, 2013	7.79	6.25	6.59	20791.93
December, 2013	9.69	6.24	7.90	21170.68
January, 2014	8.34	7.02	8.00	20513.85
February, 2014	8.87	6.85	7.01	21120.12
March, 2014	7.14	6.12	6.65	22386.27

*Due to consolidation, the face value of the share has been changed from Re.1/- to Rs.10/-.

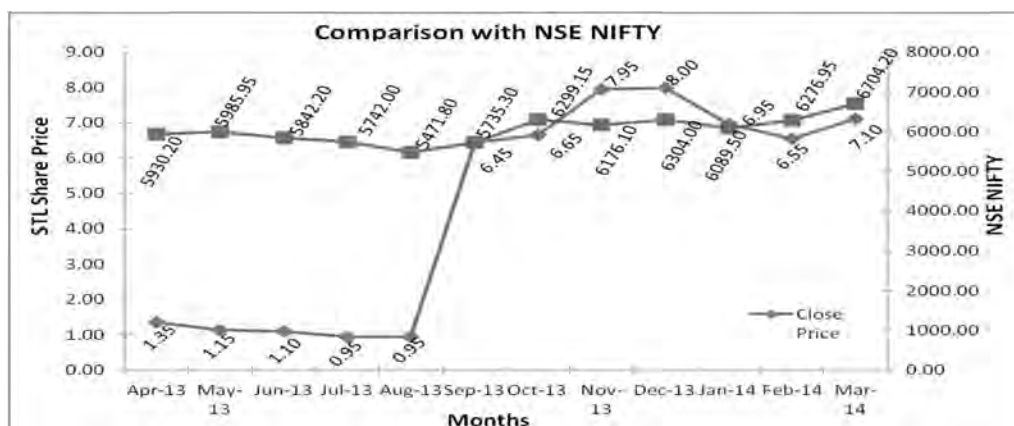


SUJANA TOWERS LIMITED

The trading of equity shares in the National Stock Exchange of India Limited for the period from 01.04.2013 to 31.03.2014.

Month	High	Low	Close	NIFTY (Closing)
April, 2013	1.35	1.35	1.35	5930.20
May, 2013	1.20	1.15	1.15	5985.95
June, 2013	1.10	1.05	1.10	5842.20
July, 2013	0.95	0.85	0.95	5742.00
August, 2013	1.00	0.95	0.95	5471.80
September, 2013*	6.50	6.45	6.45	5735.30
October, 2013	6.85	6.55	6.65	6299.15
November, 2013	8.00	7.40	7.95	6176.10
December, 2013	8.15	7.90	8.00	6304.00
January, 2014	7.10	6.80	6.95	6089.50
February, 2014	6.90	6.50	6.55	6276.95
March, 2014	7.40	7.05	7.10	6704.20

*Due to consolidation, the face value of the share has been changed from Re.1/- to Rs.10/-.



3. Dematerialization of Shares

99.37% of the Company's Paid-up capital has been dematerialized upto 31.03.2014 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	2,27,99,182	43.92
CDSL	2,87,84,984	55.45
Physical	3,30,757	0.63
Total	5,19,14,923	100.00

100% of the promoters shareholding is in DEMAT.

4. Distribution of Shareholding

As on 31st March, 2014, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto - 5,000	20,25,217	3.90	20,265	87.05
5,001 - 10,000	9,04,472	1.74	1,127	4.84
10,001 - 20,000	10,65,316	2.05	704	3.02
20,001 - 30,000	7,94,709	1.53	312	1.34
30,001 - 40,000	5,08,080	0.98	142	0.61
40,001 - 50,000	7,00,326	1.35	148	0.64
50,001-1,00,000	18,94,930	3.65	259	1.11
1,00,001 and above	4,40,21,873	84.80	324	1.39
Total	5,19,14,923	100.00	23,281	100.00

Shareholding pattern as on 31st March, 2014

Sl.No.	Category	No. of Holders	No. of Shares	% to Equity
1	Promoters and Promoters Group	9	1,89,44,814	36.49
2	Bodies Corporate	730	1,46,40,054	28.20
3	Public - Individuals	22,334	1,54,34,706	29.73
4	NRIs	197	3,36,133	0.65
5	Foreign Institutional Investors	3	9,63,716	1.86
6	Financial Institutions/Banks	1	5,95,500	1.15
7	Shares held by Custodians and against which Depository Receipts have been issued.	1	10,00,000	1.92
Total		23,275	5,19,14,923	100.00

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

10,00,000 equity shares underlying 20,00,000 Global Depository Receipts (GDRs) are outstanding for conversion as on 31st March, 2014.

6. 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.

SUJANA TOWERS LIMITED

7. Plant Location

- (i) Plot No.128 Part, Sy. No. 172/B, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Medak Dist., Telangana
- (ii) Plot No.10, 11 and 12 Part, Sy. No.172, I.D.A., Bollaram - 502 325, Jinnaram andal, Medak Dist., Telangana
- (iii) Plot No. 9, Sy. No.172/EE, U, UU, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Medak Dist., Telangana
- (iv) Plot No. 8, B & C, Sy. No.172/EE, U, UU, I.D.A., Bollaram - 502 325, Jinnaram Mandal, Medak Dist., Telangana
- (v) Sy.No.321, Turkala Khanapur Village - 502 201, Hatnur Mandal, Medak Dist., Telangana

8. Address for Correspondence

Registered Office & Secretarial Department
Plot No.41, Nagarjuna Hills,
Panjagutta, Hyderabad-500 082.
Phone No.23351882.
website : www.sujana.com
E-voting facility : www.evotingindia.com
Compliance Officer mail id : latikenrao@gmail.com

Registrars and Share Transfer Agents
M/s. Bigshare Services Private Limited,
306, Right Wing, 3rd Floor, Amruta Ville,
Opp: Yashoda Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad — 500 082.
Phone No. : 040-2337 4967

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

It is hereby confirmed that all board members and senior management personnel have affirmed compliance with the code of conduct, laid down by the Board of Directors, for the financial period 2013-14.

By order of the Board

Y. Kamesh
Managing Director

Place : Hyderabad
Date : 28.08.2014



CEO & VICE-PRESIDENT (FINANCE) 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.

Y. Kamesh

Managing Director & Chief Executive Officer

S. Kalyani

Vice-President (Finance)

Place: Hyderabad

Date: 28.08.2014

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, 2014, 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: 28.08.2014

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

INDEPENDENT AUDITORS' REPORT

To
The Members,
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, 2014, 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.

Auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of company's internal control. 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, 2014;
- 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 (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- 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, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014, 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 & CHENYOY
Chartered Accountants,
FRN: 004671S

(P.V.SRI HARI)
Partner
Membership No.021961

Place: Hyderabad
Date: 30.05.2014

ANNEXURE TO AUDITORS' REPORT

Re: 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.77,87,46,933. 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

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 31.03.2014 for a period of more than six months from the date they became payable excepting:

Particulars	Amount Rs. in Lakhs
Income Tax (2009-2010)	151.14
Income Tax (2010-2011)	2718.45
Income Tax (2011-2012)	2447.15
Income Tax (2012-2013)	131.31
Work Contract Tax (2010-2011)	6.98
Dividend Distribution Tax	1.51

- (c) According to the information and explanations given to us, the dues of Excise Duty, Sales tax and Income tax as at March 31,2014, 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
Excise Department:			
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)
Sales Tax Department:			
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 31.03.2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) 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.
- (xii) 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.
- (xiii) 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.

SUJANA TOWERS LIMITED

- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) 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.
- (xx) 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 & CHENYOY

Chartered Accountants,
FRN: 004671S

(P.V.SRI HARI)

Partner
Membership No.021961

Place: Hyderabad
Date: 30.05.2014

**BALANCE SHEET AS AT 31.03.2014**

(Rs. In Lakhs)

Particulars	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	5,438.83	5,488.29
Reserves and surplus	4	71,671.48	71,494.68
Non-Current Liabilities			
Long-term borrowings	5	103,863.57	44,358.88
Deferred tax liabilities (net)	6	6,722.10	6,741.18
Other long term liabilities	7	304.67	304.67
Long term provisions	8	202.99	97.79
Current liabilities			
Short-term borrowings	9	64,852.33	69,581.02
Trade payables	10	24,598.40	37,920.42
Other current liabilities	11	17,720.16	6,548.74
Short term provisions	12	5,606.04	5,749.36
Total		300,980.56	248,285.03
ASSETS			
Non current assets			
Fixed Assets			
Tangible	13	45,865.34	36,619.42
Intangible		10.69	9.07
Non Current investments	14	13,993.74	13,998.68
Long term loans and advances	15	32,061.53	43,477.98
Current assets			
Inventories	16	6,801.68	5,621.34
Trade receivables	17	199,923.79	138,540.72
Cash and cash equivalents	18	73.59	2,242.74
Short term loan and advances	19	2,219.79	5,872.67
Other current assets	20	30.40	1,902.41
Total		300,980.56	248,285.03
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 30, 2014

For and on behalf of the Board

Y. Kamesh
Managing Director**S. Hanumantha Rao**
Director**S. Kalyani**
Vice-President (Finance)**L. Narasimha Rao**
Company SecretaryPlace: Hyderabad
Date: May 30, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

(Rs. In Lakhs)

Particulars	Note	For the year ended 31.03.2014	For the year ended 31.03.2013
Revenue from operations			
a) Sale of Products		182,349.72	182,709.79
b) Other operating revenues	21	232.18	168.68
Less: Excise duty		2,251.11	2,879.56
Total revenue from operations		180,330.80	179,998.91
Other income	22	266.82	629.33
Total Revenue		180,597.62	180,628.25
Expenses			
Cost of materials consumed	23	12,061.86	18,134.42
Purchases of Stock-in-Trade	24	143,804.99	140,002.76
Change in inventory of finished goods, work-in progress and stock-in trade	25	(1,941.66)	462.02
Employee benefits	26	810.69	876.25
Finance costs	27	20,030.91	14,667.33
Depreciation and amortisation expense	13	2,254.56	2,216.32
Other expenses	28	3,309.73	3,613.14
Total expenses		180,331.09	179,972.25
Profit before tax		266.53	656.00
Tax Expense			
Current tax		105.55	131.31
Deferred tax		(19.07)	152.08
Profit for the Year/Period		180.05	372.61
Earning Per Share			
Basic		0.34	0.07
Diluted		0.34	0.07
Number of shares used in computing earnings per share			
Basic		5,191,492	519,149,230
Diluted		5,191,492	519,149,230
Significant accounting policies & Notes to accounts 1 & 2			

As per our report attached

M/s. Venugopal & Chenoy

Chartered Accountants

Firm's Registration No: 004671S

For and on behalf of the Board

Y. Kamesh

Managing Director

S. Hanumantha Rao

Director

P.V. Sri Hari

Partner

Membership No. 21961

Place: Hyderabad

Date: May 30, 2014

S. Kalyani

Vice-President (Finance)

Place: Hyderabad

Date: May 30, 2014

L. Narasimha Rao

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

(Rs. in Lakhs)

S.No	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
A.	Cash Flow from Operating Activities		
	Net Profit Before Tax	266.53	788.89
	Adjusted for Depreciation	2,254.56	2,216.32
	Provision for Gratuity and Earned Leave	100.92	40.91
	Financial Charges	20,030.91	14,667.33
	Interest Earned & Other Income	-	-
	Operating Profit before Working Capital Changes	22,652.92	17,713.45
	Adjusted For		
	Decrease/(Increase) in Inventories	(1,180.35)	15,390.94
	Decrease/(Increase) in Debtors	(61,383.07)	(47,124.14)
	Decrease/(Increase) in Loans and Advances	5,529.84	23,182.61
	(Decrease)/Increase in Current Liabilities	(5,028.30)	10,227.82
	Cash Generated from Operations	(39,408.96)	19,390.69
	Other Income		
	Taxes Paid	246.82	63.75
	Cash From Operating Activities (A)	(39,162.14)	19,454.43
B.	Cash Flow from Investing Activities		
	(Increase) in Fixed Assets	(11,502.11)	(194.00)
	Sale of Fixed Assets	8.99	13.21
	(Increase) in Capital Work-in-Progress	-	(36,617.95)
	Increase in Investments	-	-
	Interest Received	-	-
	Cash used in investing Activities (B)	(11,493.12)	(36,798.74)
C.	Cash Flow from Financial Activities		
	(Decrease)/Increase in Long Term Borrowings	51,717.22	25,936.40
	(Decrease)/Increase in Unsecured Loans	7,787.47	2,580.86
	(Decrease)/Increase in Shareholders Funds	-	-
	Interest Paid	(11,018.58)	(14,660.39)
	Net Cash from Financing Activites (C)	48,486.11	13,856.87
D.	Net increase in Cash and Cash Equilant (A+B+C)	(2,169.15)	(3,487.43)
	Cash and Cash Equilant at Beginning	2,242.74	5,730.16
E.	Cash and Cash Equilant as on 31.03.2014	73.59	2,242.74

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 30, 2014

For and on behalf of the Board

Y. Kamesh
 Managing Director

S. Hanumantha Rao
 Director

S. Kalyani
 Vice-President (Finance)

L. Narasimha Rao
 Company Secretary

 Place: Hyderabad
 Date: May 30, 2014

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 directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for their 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 present location and condition.

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

7. Investments

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

8. Leases

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

9. Employee Benefits

Short term employee benefits (benefits which are repayable within twelve months after the end of the period in which the employees render service) are measured at cost and are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are 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 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 asset's carrying amount exceeds its recoverable amount.

15. Earnings per Share

The earnings considered in ascertaining EPS comprises the Net Profit after tax. The numbers of shares used in computing the Basic EPS are 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 31.03.2014	As at 31.03.2013
Bank Guarantees availed from Banks	5675.13	3115.27
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 31.03.2014	As at 31.03.2013
Estimated amount of contracts to be executed on capital account and not provided for	Nil	2500.00
Other contracts	Nil	Nil
Total	Nil	2500.00

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 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Present value of obligations as at beginning of year	84.98	51.49	34.88	27.46
Interest Cost	6.97	4.43	2.86	2.36
Current service cost	23.71	14.65	31.55	7.42
Benefits paid	(8.41)	-	(11.87)	(16.90)

(Rs in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Actuarial loss/(Gain)	38.09	14.41	9.01	14.54
Present value of obligations at year end	145.33	84.98	66.43	34.88
Current Liability	8.77	6.40	-	-
Non-Current Liability	136.56	78.58	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Changes in the fair value of plan assets:				
Fair value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain on plan assets	-	-	-	-
Fair value of plan assets at the end of year	-	-	-	-
Excess / (Shortfall) of plan assets over obligation	(120.14)	(53.64)	(66.43)	(34.88)
Amounts recognized in the Balance sheet				
Present value of obligations at the end of year	(120.14)	(53.64)	(66.43)	(34.88)
Fair value of plan assets as at the end of the year	-	-	-	-
Funded Status(Liability)	(120.14)	(53.64)	(66.43)	(34.88)
Net Liability recognized in the Balance Sheet	(120.14)	(53.64)	(66.43)	(34.88)
Net Gratuity Cost for the year ended 31.03.14				
Current service cost	23.71	14.65	31.55	7.42
Interest Cost	6.97	4.43	2.86	2.36
Expected return on plan assets	(2.27)	(1.32)	-	-
Net Actuarial (Gain)/Loss	38.09	14.41	9.01	14.54
Expense recognized in the year	66.50	32.17	43.42	24.31
Assumptions in accounting for the Gratuity Fund				
Discount Rate	9.15%	8.2%	9.15%	8.2%
Salary Escalation Rate	10%	7.5%	10%	7.5%
Expected Average remaining working lives of employees (years)	21	21	21	21

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 2014 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 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Within one year	Nil	1.81	Nil	0.05	Nil	1.77
Latter than one year and not later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Later than five years	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	1.81	Nil	0.05	Nil	1.77

6. RELATED PARTY DISCLOSURES

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

Subsidiaries

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31.03.2014
Subsidiaries held directly		
Telesuprecon Limited	Mauritius	51
Digitech Business Systems Limited	Hong Kong	100
STL Africa Limited	Mauritius	100
Key Managerial Personnel		
Mr. Y. Kamesh	Managing Director	-

List of Related Parties

Sl. No	Name of the Company	Shri Y.S. Chowdary	Shri G. Srinivasa Raju	Shri S. Hanumantha Rao
1	Foster Infin and Trading Private Limited	✓	✓	-
2	Glade Steel Private Limited	-	✓	-
3	Sujana Energy Limited	✓	-	✓
4	Sujana Finance and Trading Private Limited	✓	✓	-
5	Sujana Holding Limited	✓	✓	✓
6	Sujana Metal Products Limited	✓	✓	✓
7	Sujana Power (Gangikondan) Limited	✓	-	✓
8	Sujana Power (India) Limited	✓	✓	✓
9	Sujana Power (Tuticorin) Limited	✓	-	✓
10	Sujana Projects Limited	✓	✓	✓
11	Sujana Universal Industries Limited	✓	✓	✓
12	Yalamanchili Finance and Trading Private Limited	✓	✓	-
13	Sujana Pumps & Motors Pvt. Ltd	-	-	-

SUJANA TOWERS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Related Party Transactions

Rs. in Lakhs

Particulars	Subsidiaries		Key Managerial Personnel	
	2013-14	2012-13	2013-14	2012-13
A Sales				
Sujana Metal Products Ltd	-	-	2,022.45	1,049.08
Sujana Universal Industries Limited	-	-	396.44	806.64
Sub-total	-	-	2,418.89	1,855.72
B Purchases				
Sujana Metal Products Ltd	-	-	2,204.38	1,303.16
Sujana Universal Industries Limited	-	-	42.41	410.01
Sub-total	-	-	2,246.79	1,713.17
C Investments made during the year/period				
Sub-total	-	-	-	-
D Other Income				
Sub-total	-	-	-	-
E Other Expenses				
Sujana Universal Industries Limited	-	-	1.08	1.08
Sub-total	-	-	1.08	1.08
G Remuneration				
Mr. Y. Kamesh	-	-	36.00	36.00
Sub-total	-	-	36.00	36.00
F Advances given/(refunded) during the year				
Sujana Holdings Limited	-	-	700.00	-
Sub-total	-	-	700.00	-
Grand Total	-	-	5,402.76	3,605.97

7. PAYMENT TO AUDITORS

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2014	For the Year ended 31.03.2013
a) Statutory Audit fees	13.00	13.00
b) Limited Reviews	2.00	2.00
c) Other Certifications	Nil	Nil
Total	15.00	15.00

8. EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31.03.2014	For the Year ended 31.03.2013
Profit attributable to equity shareholders - (A) (Rs. in Lakhs)	176.80	369.14
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B) (in No's)	51,914,923	519,149,230
Nominal value of equity shares (in Rs)	10.00	1.00
Basic earnings per share (A/B) (Rs.) #	0.34	0.07
Diluted Earnings Per share (Rs.) #	0.34	0.07

not annualized

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. VALUE OF MATERIALS CONSUMED DURING THE YEAR

Description	For the year ended 31.03.2014			For the Year ended 31.03.2013		
	Mts.	(Rs. in Lakhs)	%	Mts.	(Rs. in Lakhs)	%
Iron Steel						
Indigenous	28,981	9,054.86	100	32,946	10733.43	100
Imported				-	-	
Tower Parts						
Indigenous	11,675	3,007.20	100	19,397	7401.00	100
Imported				-	-	-
Others						
Indigenous						
Imported					-	-
Total		12,061.86	100		18,134.42	

10. VALUE OF BOUGH-OUT MATERIAL CONSUMED

(Rs. in Lakhs)

Description	For the year ended 31.03.2014			For the Year ended 31.03.2013		
	Mts.	(Rs. in Lakhs)	%	Mts.	(Rs. in Lakhs)	%
Iron Steel						
Indigenous	122,598	49,968.03	100	84569	32740.13	100
Imported				-	-	-
Tower Parts						
Indigenous	228,195	90,745.27	100	220,937	100,286.71	100
Imported	533	3091.69	100	14,969	6,975.92	100
Others						
Indigenous						
Imported				-	-	-
Total		143,804.99			140,002.76	

11. VALUE OF CONSUMABLES, STORES AND SPARES CONSUMED DURING THE PERIOD

(Rs in Lakhs)

Description	For the year ended 31.03.2014	%	For the year ended 31.03.2013	%
Consumables(Indigenous)	1745.46	100	1503.82	100
Consumables(Imported)	-	-	-	-
Total	1745.46	100	1503.82	100

12. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs in Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Travelling Expenses	Nil	2.36
GDR Service Charges	Nil	Nil
Bank Charges for GDR Issue	Nil	Nil

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. INVESTMENT IN EQUITY AND LOANS IN FOREIGN CURRENCY (Rs in Lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
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 31.03.2014	For the year ended 31.03.2013
FOB Value of Exports	3,165.74	7,353.19

15. CIF VALUE OF IMPORTS (Rs. In Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Raw Materials and Traded Goods	3091.69	6975.92
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	
	31.03.2014	31.03.2013	2013-2014	2012-2013
Telesuprecon Limited	1114.79	1114.79	1114.79	1114.79
Digitech Business Systems Limited	-	13393.46	-	13393.46
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 30, 2014

For and on behalf of the Board

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

S. Kalyani
Vice-President (Finance)

L. Narasimha Rao
Company Secretary

Place: Hyderabad

Date: May 30, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Share Capital

Particulars	As at 31 March 2014	As at 31 March 2013
Authorised		
Equity shares		
79,000,000 shares @Rs.10/- each (previous year 790,000,000 Rs. 1/- each)	790,000,000	790,000,000
1% Cumulative Redeemable Preference shares		
2,100,000 shares @ Rs. 100/- each (previous year 2,100,000)	210,000,000	210,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and fully Paid up		
Equity shares		
519,149,23 shares @ Rs.10/- each fully paid up (previous year 519,149,230 shares @ Rs. 1/- each fully paid up)	5,191.49	5,191.49
1% Cumulative Redeemable Preference shares		
247,335 shares @ Rs. 100/- each, fully paid up (previous year 296,795)	247.34	296.80
Total	5,438.83	5,488.29

3.1. Share capital (continued)

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

Particulars	As at 31 March 2014 (in number)	As at 31 March 2013 (in number)
Shares outstanding at the beginning of the year	51,914,923	519,149,230
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	51,914,923	519,149,230

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

Particulars	As at 31 March 2014 (in number)	As at 31 March 2013 (in number)
Shares outstanding at the beginning of the year	296,795	296,795
Shares Issued during the year	-	-
Shares bought back during the year	49,460	-
Shares outstanding at the end of the year	247,335	296,795

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yalamanchili Finance & Trading (P) Ltd	4,767,500	9.18	47,675,000	9.18
Sujana Holdings Limited	7,500,000	14.45	75,000,000	14.45
Foster Infin & Trading (P) Ltd	5,095,999	9.82	50,960,000	9.82
HI Tech Housing Projects Private Limited	2,609,946	5.03	26,099,467	5.03

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Industrial Development Bank of India Ltd	247,335	100	296,795	100

4. Reserve and Surplus

Particulars	As at 31 March 2014	As at 31 March 2013
Capital Reserves		
Opening Balance	11,669.67	11,669.67
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	11,669.67	11,669.67
Securities Premium Account		
Opening Balance	34,295.15	34,295.15
Add: Premium from shares issued	-	-
Closing Balance	34,295.15	34,295.15
Surplus balance in the statement of profit and loss account		
Opening Balance	25,529.86	25,160.72
Add: Profit for the year/period	180.05	372.61
Less: Dividend on CRPS	3.26	3.47
Less: Transfer to Capital Redemption Reserve Account	49.46	-
Closing Balance	25,657.20	25,529.86
Capital Redemption Reserve Account		
Opening Balance	-	-
Add: Transferred during the year	49.46	-
Closing Balance	49.46	-
Total	71,671.48	71,494.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
5. Long term borrowings		
Secured		
Term loans		
from banks (i)	74,301.40	21,250.12
from other parties (ii)	2,270.00	3,604.06
Sub Total (a)	76,571.40	24,854.18
Others		
Promoters Contribution as per CDR Schedule	10,792.17	3,004.70
Loans from Promoters and Promoter Group Companies	16,500.00	16,500.00
Sub Total (b)	27,292.17	19,504.70
Total (a+b)	103,863.57	44,358.88
6. Deferred tax liabilities (net)		
Opening Balance	6,741.18	6,589.10
Add: On account of Depreciation	52.56	190.97
Less: On account of retirement benefits	71.63	38.89
Total	6,722.10	6,741.18
7. Other Long term liabilities		
Deferred sales tax liability (iii)	304.67	304.67
	304.67	304.67
8. Long term provisions		
Provision for employee benefits		
Gratuity	136.56	70.33
Compensated absences	66.43	27.46
Total	202.99	97.79

- (i) 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) Finance lease obligations against Hypothecation of Vehicles repayable in Monthly Installments.
- (iii) 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

Particulars	As at 31 March 2014	As at 31 March 2013
9. Short term borrowings		
Secured		
Working Capital demand loan from banks (i)	55,208.93	60,286.87
Bill discounting facility with financial institutions	5,096.40	5,029.58
From Banks	4,547.00	-
Sub Total (a)	64,852.33	65,316.45
Unsecured		
Inter corporate Deposits	-	4,264.58
Sub Total (b)	-	4,264.58
Total (a+b)	64,852.33	69,581.02
10. Trade payables		
- due to micro and small enterprises	-	-
- others creditors	24,598.40	37,920.42
Total	24,598.40	37,920.42
11. Other Current Liabilities		
Interest accrued and due on borrowings from other parties	6,294.54	2,204.50
Finance Lease Obligations	-	1.81
Advances from customers	30.78	1,526.84
Due to Statutory authorities	43.66	18.79
Other current liabilities	11,351.18	2,796.79
Total	17,720.16	6,548.74
12. Short term provisions		
Others (Specify nature)		
Provision for taxation	5,553.60	5,694.88
Provision for Fringe Benefit Tax	10.70	10.70
Proposed dividends	3.26	3.47
Provision for bonus	20.69	18.24
Gratuity	8.77	14.65
Compensated absences	9.01	7.42
Total	5,606.04	5,749.36

- (i) Working Capital Demand Loan from Banks carry interest @ 11.5% 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. FIXED ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening Gross Block as on 01.04.2013	Additions during the period Apr'13 to Mar'14	Deletions during the period Apr'13 to Mar'14	Closing Gross Block as on 31.03.2014	Acc. Dep. As on 01.04.2013	Depreciation for the period Apr'13 to Mar'14	Depreciation withdrawn	Acc. Dep. As on 31.03.2014	Net Block as on 31.03.2014	Net Block as on 31.03.2013
Tangible Assets										
Land	1,868.84	-	-	1,868.84	-	-	-	-	1,868.84	1,868.84
Building	3,539.29	14.89	-	3,554.18	434.14	118.58	-	552.72	3,001.46	3,105.15
Plant & Machinery	42,874.27	11,485.34	-	54,359.61	11,506.82	2,091.76	-	13,598.58	40,761.03	31,367.45
Workshop Equipments	9.60	-	-	9.60	3.26	0.46	-	3.71	5.89	6.34
Weighing Machine	11.34	-	-	11.34	6.23	0.54	-	6.77	4.57	5.10
Electrical Installations	174.72	-	-	174.72	55.85	8.30	-	64.15	110.57	118.87
Furniture & Fixtures	32.65	0.10	-	32.75	11.02	2.07	-	13.09	19.66	21.63
Office Equipments	46.49	2.27	-	48.75	12.39	2.24	-	14.64	34.12	34.09
Vehicles	195.60	1.11	8.99	187.71	112.31	18.61	2.43	128.50	59.22	83.28
Computers	103.02	3.46	-	106.48	94.37	12.11	-	106.48	-	8.65
Total	48,855.81	11,507.16	8.99	60,353.97	12,236.39	2,254.67	2.43	14,488.63	45,865.34	36,619.42
Intangible Assets										
Gross Block										
Accumulated Depreciation										
Net Block										
Particulars	Opening Gross Block as on 01.04.2013	Additions during the period Apr'13 to Mar'14	Deletions during the period Apr'13 to Mar'14	Closing Gross Block as on 31.03.2014	Acc. Dep. As on 01.04.2013	Depreciation for the period Apr'13 to Mar'14	Depreciation withdrawn	Acc. Dep. As on 31.03.2014	Net Block as on 31.03.2014	Net Block as on 31.03.2013
Computer Software	13.19	3.94	-	17.13	4.13	2.32	-	6.44	10.69	9.07
Total	13.19	3.94	-	17.13	4.13	2.32	-	6.44	10.69	9.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
14. Non Current investments		
Investment in Subsidiaries - equity instruments- Unquoted		
233,204,400 (previous year 39,000) equity shares of HKD 1 each fully paid in Digitech Business Systems Limited	13,993.47	13,993.47
510 (previous year 510) equity shares of USD 1 each fully paid in Telesupricon Ltd	0.22	0.22
49,400 (previous year 49,400) equity shares of 10 each fully paid in Sujana Transmission Ltd	-	4.94
116 (previous year 116) equity shares of USD 1 each fully paid in STL Africa Ltd	0.05	0.05
Total	13,993.74	13,998.68
15. Long term loans and advances		
Capital Advances for purchase of fixed assets		
Secured, considered good	29,851.36	41,267.81
Sub Total (a)	29,851.36	41,267.81
Loans and advances to related parties		
Secured, considered good	1,114.79	1,114.79
Sub Total (b)	1,114.79	1,114.79
Other loans and advances		
Advance for business Acquisition	1,095.38	1,095.38
Sub Total (c)	1,095.38	1,095.38
Total (a+b+c)	32,061.53	43,477.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
16. Inventories		
Raw Materials and components (Raw material is valued at cost using the weighted average cost method)	1,246.19	693.59
Sub Total (a)	<u>1,246.19</u>	<u>693.59</u>
Work-in-progress (Work in progress is valued at cost using the weighted average cost method)	3,769.69	2,514.43
Sub Total (b)	<u>3,769.69</u>	<u>2,514.43</u>
Finished goods Goods-in transit (Finished goods are valued at cost or net realisable value whichever is less)	1,450.55 -	764.16 852.40
Sub Total (c)	<u>1,450.55</u>	<u>1,616.56</u>
Stores and spares (Stores and spares are carried at cost,ascertained on weighted average basis)	335.25	796.75
Sub Total (d)	<u>335.25</u>	<u>796.75</u>
Total (a+b+c+d)	<u>6,801.68</u>	<u>5,621.34</u>
17. Trade receivables		
Unsecured		
Debts outstanding for period exceeding six months		
Considered Good	104,653.04	77,550.10
Considered Doubtful	-	-
Other debts		
Considered Good	95,508.13	61,228.00
Considered Doubtful	-	-
	<u>200,161.17</u>	<u>138,778.10</u>
Less: Provision for doubtful debts	237.38	237.38
Total	<u>199,923.79</u>	<u>138,540.72</u>
18. Cash and cash equivalents		
Cash and Cash Equivalents		
Cash on hand	4.87	5.21
Balance with banks in Current Accounts	68.72	507.06
Sub Total (a)	<u>73.59</u>	<u>512.28</u>
Other Bank Balances		
Margin money	-	1,730.46
Sub Total (b)	<u>-</u>	<u>1,730.46</u>
Total (a+b)	<u>73.59</u>	<u>2,242.74</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
19. Short term loan and advances		
Others		
Advance to suppliers	444.77	4,204.86
Deposits with Govt authorities	1,257.42	1,382.76
Margin money with parties	8.93	69.52
Advance for expenses	22.53	137.86
Other Deposits	486.15	77.67
Total	2,219.79	5,872.67
20. Other current assets		
Interest accrued	30.40	1,902.41
Total	30.40	1,902.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
21. Other operating revenues		
Others	232.18	168.68
Total	<u>232.18</u>	<u>168.68</u>
22. Other income		
Interest income	210.61	225.79
Foreign Exchange Fluctuation	56.21	403.54
Total	<u>266.82</u>	<u>629.33</u>
23. Cost of material consumed		
Opening stock	693.59	412.95
Add: Purchases	12,614.46	18,415.06
Add (Less:) Raw material received (transferred)	-	-
Less: Closing stock	1,246.19	693.59
Raw materials consumed	<u>12,061.86</u>	<u>18,134.42</u>
24. Purchases of Stock-in-Trade		
Opening stock	-	576.78
Add: Purchases	143,804.99	139,425.98
Add (Less:) Raw material received (transferred)	-	-
Less: Closing stock	-	-
Stock-in-Trade materials consumed	<u>143,804.99</u>	<u>140,002.76</u>
25. Change in inventory of finished goods, work-in-progress and stock in trade		
Opening stock		
Finished goods	764.16	95.32
Work-in-progress	2,514.43	3,645.29
Sub Total (a)	<u>3,278.59</u>	<u>3,740.61</u>
Less: Closing stock		
Finished goods	1,450.55	764.16
Work-in-progress	3,769.69	2,514.43
Sub Total (b)	<u>5,220.24</u>	<u>3,278.59</u>
Total (a-b)	<u>(1,941.66)</u>	<u>462.02</u>
26. Employee benefits expense		
Salaries and wages	744.81	810.66
Contribution to provident fund and other funds	29.88	29.59
Directors remuneration	36.00	36.00
Total	<u>810.69</u>	<u>876.25</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
27. Finance Cost		
Interest on working capital loans	5,183.56	12,766.81
Interest on Term Loans	11,089.08	1,716.32
Other borrowing costs	3,758.28	184.20
Total	20,030.91	14,667.33
28. Other Expense		
Consumption of stores, loose tools and spare parts	2,073.80	2,479.82
Power and fuel	467.07	457.40
Repairs and maintenance:	88.75	121.03
Rates and taxes, excluding, taxes on income	29.88	100.39
Insurance	43.21	46.30
Traveling and conveyance	47.56	18.15
Communication	11.95	17.31
Contract labor charges (security charges)	70.61	65.38
Legal and professional fees	240.82	124.55
Sales promotion and advertisement	198.06	141.45
Loss on sale of fixed assets (net)	2.81	1.22
Donations	1.00	-
Printing and stationery	15.52	8.13
Sitting Fees	2.33	2.60
Auditor Remuneration	15.00	19.93
Prior Period Expenditure	-	0.30
Miscellaneous expenses	1.37	9.19
Total	3,309.73	3,613.14

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS		
	Registration No / Company Identification No.		CIN:L40109TG2006PLC049743
	Balance Sheet		31.03.2014
II	CAPITAL RAISED DURING THE YEAR		
	Public Issue		NIL
	Share warrants exercised		NIL
	Bonus Issue		NIL
	Private Placement		NIL
III	POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS		(Rs. in Lakhs)
	Total Equity and Liabilities		300,980.56
	Total Assets		300,980.56
	Equity and Liabilities		
	Share Capital		5,438.83
	Reserves & Surplus		71,671.48
	Deferred Tax Liability		6,722.10
	Long term borrowings		103,863.57
	Short term borrowings		64,852.33
	Current Liabilities and Provisions		48,432.26
	Application of Funds		
	Net Fixed Assets		45,876.03
	Non Current Investments		13,993.74
	Current Assets		241,110.78
IV	PERFORMANCE OF THE COMPANY		(Rs. in Lakhs)
	Total Income		180,597.62
	Total Expenditure		180,331.09
	Profit before Tax		266.53
	Profit after Tax		180.05
	Earnings per Share in Rs.		
	Basic		0.34
	Diluted		0.34
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)		
	PRODUCT DESCRIPTION	STEEL ANGLES, SHAPES & U,I,H,L&T SECTIONS	
	ITEM CODE (IT CODE NO.)	72161000	
	PRODUCT DESCRIPTION	GALVANISED STEEL PRODUCTS	

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Consolidated Accounts for the year ended 31.03.2014

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of **SUJANA TOWERS LIMITED**,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sujana Towers Limited (“the Company”), and its subsidiaries (the Company and its subsidiaries constitute “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2014, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto and a summary of the Significant Accounting Policies and other information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of company’s internal control. 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 consolidated 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 and based on the consideration of the separate audit report. on the financial statements/financial information of one subsidiary and the unaudited financial statements/financial information of two subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- (a) The Financial Statements of wholly owned overseas subsidiary M/s Digitech Business Systems Limited whose Financial Statements reflect total assets (net) of Rs. 18214.68 Lakhs as at March 31, 2014, have been audited by other auditor in the respective country.

Our Report is based on the audited financial statements for the 12 months ended March 31,2014, with the report furnished by the overseas auditor

- (b) The Financial Statements of subsidiaries M/s STL Africa and M/s Telesupricon Limited whose Financial Statements reflect total assets (net) of Rs.13380.04 Lakhs as at 31st March 2014 are not required to be audited in their respective countries.

Our opinion is not qualified in respect of this matter.

For VENUGOPAL & CHENYO

Chartered Accountants

FRN: 004671S

P.V. SRI HARI

Partner

Membership No. 21961

Place: Hyderabad

Date: 30-05-2014

CONSOLIDATED BALANCE SHEET AS AT 31.03.2014

(Rs. In Lakhs)

Particulars	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	5,438.83	5,488.29
Reserves and surplus	4	83,797.73	81,538.40
Non-Current Liabilities			
Long-term borrowings	5	111,106.52	51,036.48
Deferred tax liabilities (net)	6	6,715.32	6,741.18
Other long term liabilities	7	304.67	304.67
Long term provisions	8	202.99	97.79
Current liabilities			
Short-term borrowings	9	64,852.33	69,581.02
Trade payables	10	64,622.39	71,408.64
Other current liabilities	11	17,749.17	6,610.22
Short term provisions	12	5,640.33	5,749.36
Total		360,430.28	298,556.06
ASSETS			
Non current assets			
Fixed assets			
Tangible	13	46,059.30	37,019.08
Intangible		10.69	9.07
Long term loans and advances	14	30,946.74	42,363.19
Current assets			
Inventories	15	6,932.47	5,739.82
Trade receivables	16	271,330.74	200,790.16
Cash and cash equivalents	17	191.26	2,451.05
Short term loan and advances	18	4,928.67	8,281.28
Other current assets	19	30.40	1,902.41
Total		360,430.28	298,556.06
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 30, 2014

For and on behalf of the Board

Y. Kamesh
Managing Director**S. Hanumantha Rao**
Director**S. Kalyani**
Vice-President (Finance)**L. Narasimha Rao**
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014
(Rs. In Lakhs)

Particulars	Note	For the year ended 31.03.2014	For the year ended 31.03.2013
Revenue from operations			
a) Sale of Products		195,944.81	182,709.79
b) Other operating revenues	20	232.18	576.23
Less: Excise duty		2,251.11	2,879.56
Total revenue from operations		193,925.89	180,406.46
Other income	21	266.82	225.79
Total Revenue		194,192.71	180,632.25
Expenses			
Cost of materials consumed	22	12,061.86	18,134.42
Purchases of Stock-in-Trade	23	157,220.50	139,424.06
Change in inventory of finished goods, work in progress and stock in trade	24	(1,941.66)	1,038.80
Employee benefits expense	25	939.73	1,071.17
Finance costs	26	20,906.89	14,670.62
Depreciation and amortisation expense	13	2,278.67	2,297.66
Other expenses	27	3,473.78	3,784.92
Total expenses		194,939.77	180,421.65
Profit before exceptional and extraordinary items and tax		(747.07)	210.60
Tax expense			
Current tax		126.93	131.31
Deferred tax charge		(19.07)	152.08
Profit for the year/ period after tax		(854.92)	(72.79)
Earning per equity share			
Basic		-	0.03
Diluted		-	0.03
Number of shares used in computing earnings per share			
Basic		51,914,923	519,149,230
Diluted		51,914,923	519,149,230
Significant accounting policies & Notes to accounts	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 30, 2014

For and on behalf of the Board

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

S. Kalyani
Vice-President (Finance)

L. Narasimha Rao
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

(Rs. In Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
A. Cash Flow From Operating Activities		
Net Profit After Tax	(262.50)	136.51
Adjusted for Depreciation	2,278.67	2,297.66
Dividend & Distribution Tax	3.26	3.47
Provision for Gratuity and Earned Leave	100.92	40.91
Loss on Sale of Fixed Assets	92.94	-
Financial Charges	20,906.89	14,670.62
Interest Earned & Other Income	442.79	(398.48)
Operating Profit Before Working Capital Changes	23,562.96	16,750.69
Adjusted for		
Decrease/(Increase) in Inventories	(1,192.66)	15,061.80
Decrease/(Increase) in Debtors	(70,540.58)	(35,437.09)
Decrease/(Increase) in Loans And Advances	5,224.62	5,594.23
(Decrease)/Increase in Current Liabilities	4,348.86	(1,566.60)
Cash Generated from Operations	(38,596.79)	403.03
Other Income	232.18	172.69
Taxes Paid	246.82	63.75
Cash from Operating Activities (A)	(38,117.79)	639.47
B. Cash flow from Investing Activities		
(Increase) in Fixed Assets	(11,511.10)	(194.00)
Sale of Fixed Assets	185.34	35.90
(Increase)/Decrease in Capital Work-in-Progress	-	(36,617.94)
Increase in Investments	-	-
Interest Received	210.61	225.79
Cash used in Investing Activities (B)	(11,115.14)	(36,550.25)
C. Cash flow from Financial Activities		
(Decrease)/Increase in Long Term Borrowings	51,254.60	35,525.64
(Decrease)/Increase in Unsecured Loans	4,086.74	9,258.46
(Decrease)/Increase in Shareholders Funds	(49.46)	-
(Decrease)/Increase in Share Premium and Capital Reserves	2,525.08	2,218.59
Interest Paid	(10,843.83)	(14,670.62)
Net Cash from Financing Activites (C)	46,973.14	32,332.07
D. Net increase in Cash and Cash Equilant (A+B+C)	(2,259.79)	(3,578.71)
Cash and Cash Equilant at beginning	2,451.05	6,029.76
E. Cash and Cash Equilant as on 31.03.2014	191.26	2,451.05

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 30, 2014

For and on behalf of the Board

Y. Kamesh
Managing Director**S. Hanumantha Rao**
Director**S. Kalyani**
Vice-President (Finance)**L. Narasimha Rao**
Company SecretaryPlace: Hyderabad
Date: May 30, 2014

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, 2014

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 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 31.03.2014	As at 31.03.2013
Bank Guarantees availed from Banks	5675.13	3115.27
Claims against the Company not acknowledged as Debts	-	-
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 31.03.2014	As at 31.03.2013
Estimated amount of contracts to be executed on capital account and not provided for	Nil	2500.00
Other contracts	Nil	Nil
Total	Nil	2500.00

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 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Present value of obligations as at beginning of year	84.98	51.49	34.88	27.46
Interest Cost	6.97	4.43	2.86	2.36
Current service cost	23.71	14.65	31.55	7.42
Benefits paid	(8.41)	-	(11.87)	(16.90)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Actuarial loss/(Gain)	38.09	14.41	9.01	14.54
Present value of obligations at year end	145.33	84.98	66.43	34.88
Current Liability	8.77	6.40	-	-
Non-Current Liability	136.56	78.58	-	-

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
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	(120.14)	(53.64)	(66.43)	(34.88)
Amounts recognized in the Balance sheet				
Present value of obligations at the end of year	(120.14)	(53.64)	(66.43)	(34.88)
Fair value of plan assets as at the end of the year	-	-	-	-
Funded Status(Liability)	(120.14)	(53.64)	(66.43)	(34.88)
Net Liability recognized in the Balance Sheet	(120.14)	(53.64)	(66.43)	(34.88)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Gratuity		Leave Encashment	
	For the year ended 31.03.2014	For the year ended 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Gratuity Cost for the year ended 31.03.14				
Current service cost	23.71	14.65	31.55	7.42
Interest Cost	6.97	4.43	2.86	2.36
Expected return on plan assets	(2.27)	(1.32)	-	-
Net Actuarial (Gain)/Loss	38.09	14.41	9.01	14.54
Expense recognized in the year	66.50	32.17	43.42	24.31
Assumptions in accounting for the Gratuity Fund				
Discount Rate	9.15%	8.2%	9.15%	8.2%
Salary Escalation Rate	10%	7.5%	10%	7.5%
Expected Average remaining working lives of employees (years)	21	21	21	21

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	180,098.62	11.91	13,583.17	193,693.70
Inter Segment Sales	-	-	-	-
Total Revenue	203,425.14	19,124.79	11,937.11	234,487.04
Results	-	-	-	-
Segment Results	19,798.44	(239.83)	157.30	19,715.91
Interest Expense	-	-	-	20,906.89
Other Income	-	-	-	499.00
Income tax	-	-	-	107.85
Minority Interest	-	-	-	(537.33)
Profit for the period	-	-	-	(262.50)

SUJANA TOWERS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. RELATED PARTY DISCLOSURE

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

Subsidiaries

Name of the Subsidiary	Country of Incorporation	% of Holding as at 31.03.2014
Subsidiaries held directly		
Telesuprecon Limited	Mauritius	51
Digitech Business Systems Limited	Hong Kong	100
STL Africa Limited	Mauritius	100
Key Managerial Personnel		
Mr. Y. Kamesh	Managing Director	-

List of Related Parties

Sl. No	Name of the Company	Shri Y.S. Chowdary	Shri G. Srinivasa Raju	Shri S. Hanumantha Rao
1	Foster Infin and Trading Private Limited	✓	✓	-
2	Glade Steel Private Limited	-	✓	-
3	Sujana Energy Limited	✓	-	✓
4	Sujana Finance and Trading Private Limited	✓	✓	-
5	Sujana Holding Limited	✓	✓	✓
6	Sujana Metal Products Limited	✓	✓	✓
7	Sujana Power (Gangikondan) Limited	✓	-	✓
8	Sujana Power (India) Limited	✓	✓	✓
9	Sujana Power (Tuticorin) Limited	✓	-	✓
10	Sujana Projects Limited	✓	✓	✓
11	Sujana Universal Industries Limited	✓	✓	✓
12	Yalamanchili Finance and Trading Private Limited	✓	✓	-
13	Sujana Pumps & Motors Pvt. Ltd	-	-	-

Related Party Transactions

Rs. in Lakhs

Particulars	Key Managerial Personnel	
	2013-14	2012-13
A Sales		
Sujana Metal Products Ltd	2,022.45	1,049.08
Sujana Universal Industries Limited	396.44	806.64
Sub-total	2,418.89	1,855.72
B Purchases		
Sujana Metal Products Ltd	2,204.38	1,303.16
Sujana Universal Industries Limited	42.41	410.01
Sub-total	2,246.79	1,713.17

C	Investments made during the year/period		
	Sub-total	-	-
D	Other Income		
	Sub-total	-	-
E	Other Expenses		
	Sujana Universal Industries Limited	1.08	1.08
	Sub-total	1.08	1.08
G	Remuneration		
	Mr. Y. Kamesh	36.00	36.00
	Sub-total	36.00	36.00
F	Advances given/(refunded) during the year		
	Sujana Holdings Limited	700.00	-
	Sub-total	700.00	-
	Grand Total	5,402.76	3,605.97

8. EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Profit attributable to equity shareholders -(A) (In Rs)	-	1,39,98,476
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B) (In No's)	51,914,923	519,149,230
Nominal value of equity shares (In Rs.)	10.00	1.00
Basic earnings per share (A/B) (In Rs.)	-	0.03
Diluted Earnings Per share (In Rs.)	-	0.03

9. The provision for Current Tax and Deferred 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 30, 2014

For and on behalf of the Board

Y. Kamesh

Managing Director

S. Hanumantha Rao

Director

S. Kalyani

Vice-President (Finance)

L. Narasimha Rao

Company Secretary

Place: Hyderabad

Date: May 30, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. Share capital

Particulars	As at 31 March 2014	As at 31 March 2013
Authorised		
Equity shares		
79,000,000 shares @ Rs.10/- each (previous year 790,000,000 Rs. 1/- each)	790,000,000	790,000,000
1% Cumulative Redeemable Preference shares		
2,100,000 shares @ Rs. 100/- each (previous year 2,100,000)	210,000,000	210,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and fully Paid up		
Equity shares		
519,149,23 shares @ Rs.10/- each fully paid up (previous year 519,149,230 shares @ Rs. 1/- each fully paid up)	5,191.49	5,191.49
1% Cumulative Redeemable Preference shares		
247,335 shares @ Rs. 100/- each, fully paid up (previous year 296,795)	247.34	296.80
Total	5,438.83	5,488.29

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

Particulars	As at 31 March 2014 (in number)	As at 31 March 2013 (in number)
3.1. Share capital (continued)		
Shares outstanding at the beginning of the year	51,914,923	519,149,230
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	51,914,923	519,149,230

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

Particulars	As at 31 March 2014 (in number)	As at 31 March 2013 (in number)
Shares outstanding at the beginning of the year	296,795	296,795
Shares Issued during the year	-	-
Shares bought back during the year	49,460	-
Shares outstanding at the end of the year	247,335	296,795

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yalamanchili Finance & Trading (P) Ltd	4,767,500	9.18	47,675,000	9.18
Sujana Holdings Limited	7,500,000	14.45	75,000,000	14.45
Foster Infin & Trading (P) Ltd	5,095,999	9.82	50,960,000	9.82
HI Tech Housing Projects Private Limited	2,609,946	5.03	26,099,467	5.03

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Industrial Development Bank of India Ltd	247,335	100	296,795	100

Particulars	As at 31 March 2014	As at 31 March 2013
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	34,295.15
Add: premium for Shares issued	-	-
Closing Balance	34,295.15	34,295.15
Foreign Currency Translation Reserve		
Opening Balance	3,698.78	1,480.19
Additions/Deletions	2,525.08	2,218.59
Closing Balance	6,223.86	3,698.78
Surplus balance in the statement of profit and loss		
Opening Balance	31,807.70	31,667.72
Add: Profit /(loss) for the year	(854.92)	(72.79)
Add: Minority Interest	537.33	216.54
Less: Prior Period Adjustments	(55.10)	0.30
Less: Dividend on CRPS	3.26	3.47
Less: Transfer to Capital Redemption Reserve Account	49.46	-
Closing Balance	31,492.49	31,807.70
Capital Redemption Reserve Account		
Opening Balance	-	-
Add: Transferred during the year	49.46	-
Closing Balance	49.46	-
Total	83,797.73	81,538.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
5. Long term borrowings		
Secured		
Term loans		
from banks (i)	74,302.91	21,250.12
from other parties (ii)	2,270.00	3,604.06
Sub Total (a)	76,572.90	24,854.18
Unsecured		
Promoters Contribution as per CDR Scheme	10,792.17	3,004.70
Loans from Promoters and Promoter Group Companies	23,741.45	23,177.60
Sub Total (b)	34,533.62	26,182.30
Total (a+b)	111,106.52	51,036.48
6. Deferred tax liabilities (net)		
Opening Balance	6,741.18	6,488.04
Add: On account of Depreciation	45.77	292.03
Less: On account of retirement benefits	71.63	38.89
Total	6,715.32	6,741.18
7. Other Long term liabilities		
Deferred sales tax liability (iii)	304.67	304.67
	304.67	304.67
8. Long term provisions		
Provision for employee benefits		
Gratuity	136.56	70.33
Leave Encashment	66.43	27.46
Total	202.99	97.79
(i) 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) Finance lease obligations against Hypothication of Vehicles Repayable in Monthly Installments		
(iii) 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

Particulars	As at 31 March 2014	As at 31 March 2013
9. Short term borrowings		
Secured		
Working capital demand loan from banks (i)	55,208.93	60,286.87
Term Loans From Banks	4,547.00	-
Bill discounting facility with financial institutions	5,096.40	5,029.58
Sub total (a)	64,852.33	65,316.45
Unsecured		
Inter Corporate Deposits	-	4,264.58
Sub total (b)	-	4,264.58
Total (a+b)	64,852.33	69,581.02
10. Trade payables		
- due to micro and small enterprises	-	-
- others creditors	64,622.39	71,408.64
- acceptances	-	-
Total	64,622.39	71,408.64
11. Other Current liabilities		
From Other Parties	6,294.54	3,550.42
Finance Lease Obligations	-	1.81
Advances from customers	30.78	1,526.84
Due to Statutory authorities	43.66	18.79
Other current liabilities	11,380.19	1,512.36
Total	17,749.17	6,610.22
12. Short term provisions		
Others		
Provision for taxation	5,577.04	5,694.88
Provision for Fringe Benefit Tax	10.70	10.70
Proposed dividends	14.11	3.47
Gratuity	8.77	14.65
Leave Encashment	9.01	7.42
Provision for bonus	20.69	18.24
Total	5,640.33	5,749.36

- (i) Working Capital demand loan from banks carry interest @ 11.5% 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Fixed Assets

Tangible Assets										(Rs. in lakhs)	
Particulars	Gross Block					Accumulated Depreciation				Net Block	
	Opening Gross Block as on 01.04.2013	Additions during the period Apr'13 to March'14	Deletions during the period Apr'13 to March'14	Closing Gross Block as on 31.03.2014	Acc. Dep. As on 01.04.2013	Depreciation for the period Apr'13 to March'14	Depreciation withdrawn	Acc. Dep. As on 31.03.2014	Net Block as on 31.03.2014	Net Block as on 31.03.2013	
Land	1,868.84	-	-	1,868.84	-	-	-	-	1,868.84	1,868.84	
Building	3,539.29	14.89	-	3,554.18	434.14	118.58	-	552.72	3,001.46	3,105.15	
Plant & Machinery	43,178.25	11,485.34	149.70	54,513.89	11,567.25	2,100.55	-	13,667.80	40,846.08	31,611.00	
Workshop Equipments	9.60	-	-	9.60	3.26	0.46	-	3.71	5.89	6.34	
Weighing Machine	11.34	-	-	11.34	6.23	0.54	-	6.77	4.57	5.10	
Electrical Installations	235.09	-	-	235.09	72.78	10.65	-	83.43	151.66	162.31	
Furniture & Fixtures	83.98	0.10	14.30	69.78	44.16	3.24	-	47.40	22.38	39.82	
Office Equipments	70.68	2.27	-	72.94	17.03	2.74	-	19.77	53.17	53.65	
Vehicles	597.14	1.11	176.29	421.96	455.45	25.87	149.71	331.61	90.36	141.70	
Computers	159.91	3.46	-	163.37	134.75	13.73	-	148.47	14.90	25.17	
Total	49,754.12	11,507.16	340.29	60,920.99	12,735.04	2,276.36	149.71	14,861.68	46,059.30	37,019.08	
Intangible Assets										In Rupees	
Particulars	Gross Block					Accumulated Depreciation				Net Block	
	Opening Gross Block as on 01.04.2013	Additions during the period Apr'13 to March'14	Deletions during the period Apr'13 to March'14	Closing Gross Block as on 31.12.2014	Acc. Dep. As on 01.04.2013	Depreciation for the period Apr'13 to March'14	Depreciation withdrawn	Acc. Dep. As on 31.03.2014	Net Block as on 31.03.2014	Net Block as on 31.03.2013	
Computer Software	13.19	3.94	-	17.13	4.13	2.32	-	6.44	10.69	9.07	
Total	13.19	3.94	-	17.13	4.13	2.32	-	6.44	10.69	9.07	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
14. Long term loans and advances		
Capital Advances for purchase of fixed assets		
Secured, considered good	29,851.36	41,267.81
Sub Total (a)	<u>29,851.36</u>	<u>41,267.81</u>
Other loans and advances		
Advance for business Acquisition	1,095.38	1,095.38
Sub Total (b)	<u>1,095.38</u>	<u>1,095.38</u>
Total (a+b)	<u>30,946.74</u>	<u>42,363.19</u>
15. Inventories		
Raw Materials and components (Raw material is valued at cost using the weighted average cost method)	1,376.98	812.07
Sub total (a)	<u>1,376.98</u>	<u>812.07</u>
Work-in-progress (Work in progress is valued at cost using the weighted average cost method) (Mode of valuation should be disclosed)	3,769.69	2,514.43
Sub Total (b)	<u>3,769.69</u>	<u>2,514.43</u>
Finished goods	1,450.55	764.16
Goods-in transit	-	852.40
(Finished goods are valued at cost or net realisable value whichever is less)		
Sub Total (c)	<u>1,450.55</u>	<u>1,616.56</u>
Stores and spares (stores and spares are carried at cost, ascertained on weighted average basis)	335.25	796.75
Sub Total (d)	<u>335.25</u>	<u>796.75</u>
Total (a+b+c+d)	<u>6,932.47</u>	<u>5,739.82</u>
16. Trade receivables		
Unsecured		
Debts outstanding for period exceeding six months		
Considered good	143,454.14	77,787.47
Considered doubtful	-	-
Other debts		
Considered good	128,113.98	123,240.07
Considered doubtful	-	-
	<u>271,568.12</u>	<u>201,027.54</u>
Less: Provision for doubtful debts	237.38	237.38
Total	<u>271,330.74</u>	<u>200,790.16</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
17. Cash and cash equivalents		
Cash on hand	11.67	10.92
Balance with banks in current accounts	179.59	709.67
Sub Total (a)	<u>191.26</u>	<u>720.59</u>
Other Bank balances		
Margin money	-	1,730.46
Sub Total (b)	<u>-</u>	<u>1,730.46</u>
Total (a+b)	<u>191.26</u>	<u>2,451.05</u>
18. Short term loans and advances		
Advance to suppliers	444.77	4,204.86
Deposits with Govt authorities	1,257.42	1,382.76
Margin money with parties	8.93	69.52
Advance for expenses	22.53	137.86
Other Advances	3,195.03	2,486.28
Total	<u>4,928.67</u>	<u>8,281.28</u>
19. Other current assets		
Interest accrued	30.40	1,902.41
Total	<u>30.40</u>	<u>1,902.41</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
20. Other operating revenues		
Others	232.18	576.23
Total	232.18	576.23
21. Other income		
Interest income	210.61	225.79
Foreign Exchange Fluctuation	56.21	403.54
Total	266.82	629.33
22. Cost of material consumed		
Raw materials and packing materials consumed		
Opening stock	693.59	412.95
Add: Purchases	12,614.46	18,415.06
Add (Less:) Raw material received (transferred)	-	-
Less: Closing stock	1,246.19	693.59
Raw materials consumed	12,061.86	18,134.42
23. Purchases of Stock-in-Trade		
Opening stock	118.48	101.74
Add: Purchases	157,232.81	139,440.80
Less: Closing stock	130.79	118.48
Stock-in-Trade materials consumed	157,220.50	139,424.06
24. Change in inventory of finished goods, work-in-progress and stock in trade		
Opening stock		
Finished goods	764.16	672.09
Work-in-progress	2,514.43	3,645.29
Sub Total (a)	3,278.59	4,317.39
Less: Closing stock		
Finished goods	1,450.55	764.16
Work-in-progress	3,769.69	2,514.43
Sub Total (b)	5,220.24	3,278.59
Total (a-b)	(1,941.66)	1,038.80
25. Employee benefits expense		
Salaries and wages	873.85	1,005.58
Contribution to provident fund and other funds-	29.88	29.59
Directors remuneration	36.00	36.00
Total	939.73	1,071.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
26. Finance Cost		
Interest on Working Capital Loans	5,183.56	12,766.81
Interest on Term Loans	11,089.08	1,716.32
Other borrowing costs	4,634.25	187.49
Total	20,906.89	14,670.62
27. Other expense		
Consumption of stores, loose tools and spare parts	2,073.80	2,560.18
Power and fuel	474.02	474.18
Repairs and maintenance:		
- buildings	-	-
- plant and machinery	91.86	126.88
- Factory maintenance & others	-	-
Rates and taxes, excluding, taxes on income	40.75	130.67
Insurance	46.91	55.13
Traveling and conveyance	47.56	18.15
Communication	14.66	25.09
Contract labor charges (security charges)	70.61	65.38
Legal and professional fees	246.80	75.33
Auditor's remuneration	20.28	20.26
Sales promotion and advertisement	33.29	44.14
Loss on sale of fixed assets (net)	92.94	1.22
Donations	1.00	-
Printing and stationery	15.52	8.14
Staff Welfare	1.94	22.37
Carrage Outward	183.55	-
Sitting Fee	2.33	2.60
Miscellaneous expenses	15.98	155.19
Total	3,473.78	3,784.92



SUJANA TOWERS LIMITED

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

CIN : L40109TG2006PLC049743

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I, hereby record my presence at the 7th Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2014 at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500034, Telangana at 12.30 p.m.

Folio No./DP ID-Client ID:.....

Full Name of the Shareholder in Block Letters:.....

No. of Shares held:.....

Name of Proxy (if any) in Block Letters:.....

*Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Representative*



SUJANA TOWERS LIMITED

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

CIN : L40109TG2006PLC049743

PROXY FORM

Name of the Member(s):	E-Mail Id:
Registered Address:	
Folio No./Client Id:	DP Id:

I/We, being the Member(s) of shares of the above named Company, hereby appoint

Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on the Tuesday, the 30th day of September, 2014 at 12.30 p.m. at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500034, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31st March, 2014.		
2	Re-appointment of Shri Y.S. Chowdary, who retires by rotation.		
3	Re-appointment of M/s Venugopal & Chenoy, Chartered Accountants, as Statutory Auditors of the Company.		
Special Business			
4	Appointment of Shri A.S. Anand Kumar as Independent Director.		
5	Appointment of Shri M.V. Bhaskara Rao as Independent Director.		
6	Appointment of Shri L.V. Rao as Independent Director.		
7	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs.3000 Crores over and above the aggregate of the paid up share capital and free reserves of the Company.		
8	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge any of movable and / or immovable properties of the Company.		
9	Adoption of new set of Articles pursuant to Section 14 of the Companies Act, 2013.		
10	Ratification of remuneration of the Cost Auditor of the Company.		

Signed this.....day of September, 2014

Signature of the shareholder

Signature of Proxy holder(s).....

Affix Re.1 Revenue Stamp

Notes:

1. This form o proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 7th Annual General Meeting.
3. It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

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