



1st ANNUAL REPORT

For the Financial Year ended 30th June, 2007

SUJANA TOWERS LIMITED



BOARD OF DIRECTORS

CHAIRMAN : SHRI Y.S. CHOWDARY

MANAGING DIRECTOR : SHRI G.SRINIVASA RAJU

WHOLE TIME DIRECTOR : SHRI V.S.R MURTHY

DIRECTORS : SHRI R.K.BIRLA
SHRI S.HANUMANTHA RAO
SHRI K.S.PUROHIT*
SHRI A.S.ANAND KUMAR*
SHRI M.V. BHASKARA RAO*

* Independent Directors

AUDIT COMMITTEE : SHRI A.S.ANAND KUMAR
SHRI K.S.PUROHIT
SHRI S.HANUMANTHA RAO
SHRI M.V. BHASKARA RAO

SHARE TRANSFER COMMITTEE : SHRI G.SRINIVASA RAJU
SHRI S.HANUMANTHA RAO
SHRI R.K.BIRLA

**SHAREHOLDERS GRIEVANCES
COMMITTEE** : SHRI G.SRINIVASA RAJU
SHRI S.HANUMANTHA RAO
SHRI R.K.BIRLA

REMUNERATION COMMITTEE : SHRI A.S.ANAND KUMAR
SHRI K.S.PUROHIT
SHRI S.HANUMANTHA RAO

COMPANY SECRETARY : SHRI S.SAMPATH KUMAR

AUDITORS : M/S T.RAGHAVENDRA & ASSOCIATES
CHARTERED ACCOUNTANTS
G-4, PRIYA APARTMENTS,
RAJ BHAVAN ROAD, SOMAJIGUDA,
HYDERABAD – 500 082.

SUJANA TOWERS LIMITED

BANKERS	:	BANK OF BARODA KARNATAKA BANK LIMITED
FINANCIAL INSTITUTIONS	:	IFCI LIMITED IDBI LIMITED
REGISTERED OFFICE	:	PLOT NO.18, NAGARJUNA HILLS, PANJAGUTTA, HYDERABAD – 500 082.
WORKS		(i) PLOT NO.128/A, (ii) PLOT NO.10, 11 AND 12, SURVEY No.172, (iii) PLOT NO.9, SURVEY NO.172/EE, U, UU (iv) PLOT NO.159 B & C, SURVEY NO.172/A, I.D.A.BOLLARAM, JINNARAM MANDAL, MEDAK DIST, A.P.
LISTING	:	BOMBAY STOCK EXCHANGE LIMITED PHIROZE JEEJEEBHOY TOWERS, DALAL STREET, MUMBAI - 400 001
REGISTRAR & SHARE TRANSFER AGENTS	:	M/S BIGSHARE SERVICES PVT. LTD. G-10, LEFT WING, AMRUTHA VILLE, OPP: YASHODA HOSPITAL, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD - 500 082.



NOTICE

NOTICE is hereby given that the First Annual General Meeting of the members of the Company will be held on Thursday, 4th October, 2007 at Naina Gardens, Kukatpally, Hyderabad – 500 072 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 30th June, 2007 and the profit and loss account for the period ended 30th June, 2007 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Y.S.Chowdary, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED that M/s. Price Waterhouse, Chartered Accountants, Hyderabad, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, in place of M/s T.Raghavendra & Associates, Chartered Accountants, who expressed their inability to continue as Statutory Auditors of the Company due to their pre-occupation.”

SPECIAL BUSINESS

4. **To Consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.**

“RESOLVED that Shri K.S.Purohit who was appointed as an Additional Director of the Company with effect from 28.04.2007 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company under Section 257 of the Companies Act, 1956 who shall be liable to retire by rotation.”

5. **To Consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.**

“RESOLVED that Shri A.S.Anand Kumar who was appointed as an Additional Director of the Company with effect from 28.04.2007 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company under Section 257 of the Companies Act, 1956 who shall be liable to retire by rotation.”

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

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if necessary, Shri G.Srinivasa Raju, Director of the Company be and is hereby appointed as Managing Director of the Company for a period of 5 years w.e.f. 28.04.2007.”

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

“RESOLVED that Shri V.S.R Murthy who was appointed as an Additional Director of the Company with effect from 3rd September 2007 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company under Section 257 of the Companies Act, 1956”

“RESOLVED further that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if necessary, Shri V.S.R Murthy, who was appointed as Director (Finance) of the Company with effect from 03.09.2007 be and is hereby appointed as Director (Finance) of the Company for a period of 5 years w.e.f. 03.09.2007.”

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"Resolved further that Shri V.S.R Murthy, be and is hereby entitled for the following remuneration:

Rs.24,00,000/- per annum payable on a monthly basis, with effect from the date of his appointment i.e., 3rd September 2007. He is also entitled for all such types of perquisites as may be allowed under Companies Act, 1956."

8. To Consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.

"RESOLVED that Shri M.V.Bhaskara Rao who was appointed as an Additional Director of the Company with effect from 03.09.2007 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company under Section 257 of the Companies Act, 1956 who shall be liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company be increased from **Rs.26,05,00,000/-** (Rupees Twenty Six Crores Five Lakhs only) divided into 4,01,00,000 (Four Crores One Lakh only) Equity Shares of Rs.5/- (Rupees Five only) each and 6,00,000 Preference Shares of Rs.100/- (Rupees One Hundred Only) each to **Rs.50,00,00,000/-** (Rupees Fifty Crores only) divided into 8,80,00,000 (Eight Crores and Eighty Lakhs only) Equity Shares of Rs.5/- (Rupees Five only) each and 6,00,000 (Six Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each by further creation of 4,79,00,000 (Four Crores and Seventy Nine Lakhs only) Equity Shares of Rs.5/- (Rupees Five only) each."

"RESOLVED further that the Clause V(a) of the Memorandum of Association of the Company and Article No.3 of Articles of Association of the Company be altered as follows:

"The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 8,80,00,000 (Eight Crores and Eighty Lakhs only) Equity Shares of Rs.5/- (Rupees Five only) each and 6,00,000 (Six Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each."

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

"RESOLVED that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors/Committee thereof to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to takeover the management of the business and concern of the Company in certain events of default in favour of any Bank(s) and/or Financial Institution(s) for securing the loans sanctioned or to be sanctioned by them as per the terms and conditions stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the respective Banks(s)/Financial Institution(s).

"RESOLVED further that for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion thinks necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard thereto."

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

"RESOLVED that in partial modification of the resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 27.04.2007, the consent of the Company



under the provisions of section 293(1)(d) of the Companies Act, 1956 be and is hereby accorded to the Directors of the Company / Committee thereof to borrow monies from time to time, but so that the monies to be borrowed together with the monies already borrowed by the Company, for the time being (apart from temporary loans obtained from Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, but shall not exceed the amount of Rs.500 Crores (Rupees Five Hundred Crores only) at any one time."

12. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED that pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification (s) or re-enactments thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 2000, the Listing Agreement entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and the prevailing Statutory guidelines and subject to the approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to that conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as Board) and / or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to create, issue, offer or allot either at par or at premium (issue price being not less than the price as arrived at), in accordance with the terms of Chapter XIII of

SEBI (Disclosure and Investor Protection) Guidelines, 2000, either in for cash or for consideration other than cash or in satisfaction of a genuine debt, as may be deemed most appropriate by the Board, equity shares and / or convertible debentures (fully or partly) and / or, all or any of the aforesaid with or without detachable or non - detachable warrants and/or warrants of any nature compulsorily convertible into equity shares at a later date or any other financial instruments compulsorily convertible into equity at a later date and /or secured premium notes, and/or Floating Rate Notes/Bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") to be subscribed either in rupees/foreign currency(ies) as the Board at its sole discretion may at any time or times hereinafter decide which Securities when issued or allotted or converted in case of compulsorily convertible warrants would ultimately result in an increase in the paid up equity share capital of the Company upto an amount not exceeding **Rs.4.00 Crores in addition to the existing paid up equity share capital of Rs.19.47 Crores** to the existing members of the Company and / or promoter group members (which term shall include directors, promoter directors, their families, relatives, friends and associates) and /or non promoters and / or strategic investors and / or Financial Institutions / Banks either directly or through conversion of existing loans and / or interest on such loans whether resident in India (individuals as well as bodies corporate) or Non Resident Indians, Mutual Funds, Debenture holders, Employees, Foreign Institutional Investors(FIIs), Companies, other entities/authorities and to such other persons whether through public issue, rights issue, private placement, exchange of Securities, conversion of loans or otherwise and for general corporate purposes including capital expenditures, working Capital requirements, strategic investments, any mergers, amalgamations, acquisitions, reconstructions or arrangements or any other re-organizations as the Board may deem fit and/or by any one or more or a combination of

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the above modes/methods or otherwise and in one or more tranches, with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the prevailing laws at such price or prices, or in such manner as the Board or Committee thereof may on its absolute discretion think fit in consultation with the lead managers, underwriters, advisors and such other persons and on such terms and conditions including the number of Securities to be issued, face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on conversion/redemption/extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion fixing the record date or book closure and related or incidental matters".

"RESOLVED further that in the event of issue of equity shares and / or convertible warrants and / or any securities through preferential allotment, the relevant date for this purpose will be **4th September, 2007** as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time".

"RESOLVED further that such of these Securities to be issued as are not subscribed may be disposed of by the Board/Committee thereof, to such persons and in such manner and on such terms as the Board or the Committee may in its all absolute discretion think most beneficial to the Company including offering or placing them with Banks / Financial Institutions / Investment Institutions / Mutual Funds / Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide".

"RESOLVED further that the consent of the Company be and is hereby given to the Board of Directors in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charge in addition to the mortgages/charges

created/to be created by the Company in such form and manner and with such ranking and at such time and such terms as the Board may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the agents and Trustees/Lenders for securing the Securities (if they comprise fully/party secured Convertible Debentures and/or secured Non Convertible Debentures with or without detachable or Non-Detachable warrants or secured premium notes, floating rate notes/bonds or other secured debt instruments) together with interest, further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed/other documents to be finalised and executed between the Company and the agents and Trustees/Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the agents and Trustees/Lenders".

"RESOLVED further that for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds of issue of the securities and further to do all such acts, deeds, matters and things in respect of appointment of lead managers, registrars, bankers, trustees, agents, lenders, brokers and underwriters and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit".



13. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED that pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and Scheme of Arrangement and Amalgamation for Transfer of Towers Division of Sujana Metal Products Limited, Hyderabad to the Company, approved by the Hon’ble High Court of Andhra Pradesh vide its Order dated 10th April, 2007, which came into effect from 4th May 2007, (including any statutory modification (s) or re-enactments thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 2000, the Listing Agreement entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and the prevailing Statutory guidelines and subject to the approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to that conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (herein after referred to as Board) and / or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board of Directors to issue and allot the Optionally Fully Convertible Debentures (OFCDs) (hereinafter for brevity's sake referred to as "Securities") worth of Rs.800 Lakhs to IFCI Limited, Hyderabad, either at par or at premium (issue price being not less than the price as arrived at), in accordance with the terms of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000, when converted into equity would ultimately result in an increase in the paid up equity share capital of the Company

upto an amount not exceeding **Rs.30 Lakhs in addition to the existing paid up equity capital of the Company**, through conversion of existing loans sanctioned to Sujana Metal Products Limited which were transferred to Sujana Towers Limited pursuant to Scheme of Arrangement and Amalgamation for Transfer of Towers Division of Sujana Metal Products Limited, Hyderabad to the Company, as approved by the Hon’ble High Court of Andhra Pradesh vide its Order dated 10th April, 2007, which came into effect from 4th May 2007 and / or interest on such loans through private placement as preferential allotment as the Board may deem fit with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the prevailing laws at such price or prices, or in such manner as the Board or Committee thereof may on its absolute discretion think fit”.

“RESOLVED further that the relevant date for the purpose of issue and allotment of OFCDs will be **4th September, 2007** as per the provisions of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time”

"RESOLVED further that for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue and allotment of the securities and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient for the above purpose.”

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

“RESOLVED that in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Issue of Foreign Currency Convertible Bonds and Ordinary Shares

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(Through Depository Receipt Mechanism) Scheme, 1993, the Operative Guidelines for Disinvestment of shares by Indian Companies in the Overseas Market through issue of ADRs/ GDRs as notified by the Government of India, Ministry of Finance, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re- enactments thereof for the time being in force), and also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to other approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and all other appropriate and/or concerned authorities, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board", which term shall be deemed to include any committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the consent of the members of the Company be and is hereby accorded to the Board of Directors to issue, offer and allot an international offerings any security including, Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) convertible into equity shares, Foreign Currency Convertible Bonds (FCCBs), warrants, convertible into depository receipts with underlying equity shares/equity shares (herein after referred to as "securities") for an aggregate sum of upto **US\$ 60 million** or equivalent in Indian/or any other currency (ies) with such premium as may be appropriate, directly to foreign/ non-resident investors (where the institutions, bodies corporate, mutual funds, trusts, foreign institutional

investors, banks and/or individuals or otherwise and whether or not such investors are members, promoters, directors or their relatives/associates, of the Company) without first offering to the existing shareholders, through public issues, private placements or a combination thereof at such time or times in such tranche or tranches at such price or prices, at such premium as may be appropriate to market price or prices in such manner and on such terms and conditions as may be decided by the Board, wherever necessary in consultation with the lead managers, underwriters, advisors or through the subsidiaries, including by way of the initial public offer in Euro, US or other countries, so as to enable the Company to get listed at any stock exchanges in India and/or outside India".

"RESOLVED further that for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may, in its absolute discretion deemed necessary or desirable and settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of securities."

"RESOLVED further that the relevant date for the purpose of issue of securities in international offerings, including Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) convertible into equity shares, Foreign Currency Convertible Bonds (FCCBs), will be **4th September, 2007** as per the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time".

"RESOLVED further that the Board is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."



“RESOLVED further that without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination or terms in accordance with the international practices.”

“RESOLVED further that the Board is also entitled to enter into and execute all such arrangements/ agreements with the lead managers /underwriters/ guarantors/ depository (ies)/ custodians/ advisors/ registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like.”

“RESOLVED further that the Company and/or any agency or body authorized by the Company may issue GDRs/ADRs/FCCBs and/or other form of securities mentioned hereinabove or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets.”

“RESOLVED further that the securities issued in international offering shall be deemed to have been issued abroad in the markets and/ or at the place of issue of the securities in the international markets and shall be governed by English or American law as may be decided by the board.”

“RESOLVED further that the Board be and is hereby authorize to finalise the mode and the terms of issue and allot such number of equity shares/securities as may be required to be issued and allotted upon conversion of any securities referred to in paragraph (s) above as may be necessary in accordance with the terms of offering and all such shares will rank pari passu with the existing equity shares of the Company in all respect.”

“RESOLVED further that the Board do open one or more bank accounts in the name of Company, including escrow account, special purpose accounts etc., in Indian currency or foreign currency (ies) which such bank or

banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/ offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any.”

“RESOLVED further that such of this securities as are not subscribed, may be disposed off by the Board in its absolute discretion in such manner as the board may deem fit.”

“RESOLVED further that for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of proceeds, as it may in its absolute discretion deemed fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of the resolution.”

“RESOLVED further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as they deem fit.”

BY ORDER OF THE BOARD

**PLACE: HYDERABAD
DATE : 03.09.2007**

**Y.S. CHOWDARY
CHAIRMAN**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. The Share transfer books and Register of Members of the Company will remain closed during the period from 04.10.2007 to 04.10.2007 (one day only).

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4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
5. The registration of share transfers and other related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at G-10, Left Wing, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
6. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.

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

Item No.4:

Shri K.S.Purohit was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 28th April, 2007, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Shri K.S.Purohit is a Bachelor Degree holder from Bombay University and a Certified Associate of Indian Institute of Bankers.

Shri K.S.Purohit had banking experience of more than 42 years at various senior levels in Public and Private Sector Banks. He is the existing member on the board of many reputed companies. Thus, his presence on the Board will be highly beneficial to the Company.

Notice required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri K.S.Purohit as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at

the Registered Office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri K.S.Purohit is concerned or interested in the aforesaid resolution.

Item No.5:

Shri A.S.Anand Kumar was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 28th April, 2007, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Shri A.S.Anand Kumar is a Master Degree holder in Mathematics from Madras University and also a Certified Associate of Indian Institute of Bankers.

Shri A.S.Anand Kumar has a rich and vast experience in the field of finance and banking in India and abroad for a period of 35 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.

Notice required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri A.S.Anand Kumar as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri A.S.Anand Kumar is concerned or interested in the aforesaid resolution.

Item No.6:

Shri G.Srinivasa Raju was appointed as Managing Director of the Company for a period of 5 years with effect from 28.04.2007 in the meeting of the Board of Directors of the Company held on 28.04.2007.



Shri G.Srinivasa Raju did his Bachelors in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. He also holds a Master Degree in Engineering from Roorke University. He has a rich and varied industrial experience, which also includes the management of granite units. Shri G.Srinivasa Raju has wide exposure to the steel products industry. He also possesses a deep understanding of all the aspects of business administration. Shri G.Srinivasa Raju is an able and efficient person to shoulder the duties and responsibilities of the Managing Director.

In accordance with the provisions of Sections 269 and schedule XIII of the Companies Act, 1956, approval of shareholders is required for the appointment of Managing Director.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri G.Srinivasa Raju is concerned or interested in the aforesaid resolution.

Item No.7:

Shri V.S.R Murthy was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 3rd September, 2007, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Shri V.S.R Murthy is Highly Experienced Professional Banker with over 34 years of distinguished service and experience in one of the top Public Sector Banks of India, in various capacities starting from the field level to the Senior Management. Thus, his presence on the Board will be highly beneficial to the Company.

Notice required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri V.S.R Murthy as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri V.S.R Murthy is concerned or interested in the aforesaid resolution.

Item No.8:

Shri M.V.Bhaskara Rao is a Retired Indian Police Service (IPS). He is a Master Degree holder in Economics and did Diploma in Business Management. He got an award of Indian Police Medal for Meritorious Service in 1990. He completed more than 32 years of service in various capacities of Indian Police and retired as Director General, Civil Defence on 9th June, 1997. Thus, his presence on the Board will be highly beneficial to the Company.

Notice required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri M.V.Bhaskara Rao as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri M.V.Bhaskara Rao is concerned or interested in the aforesaid resolution.

Item No.9:

At present the Authorised Share Capital of the Company stands at Rs.26,05,00,000/- (Rupees Twenty Six Crores Five Lakhs only) divided into 4,01,00,000 (Four Crores One Lakh only) Equity Shares of Rs.5/- (Rupees Five only) each and 6,00,000 preference shares of Rs.100/- (Rupees One Hundred Only) each.

With the growing requirement of funds for meeting the expenditure on expansion of Company's projects and acquisition/setting up of business undertakings in India and/or abroad and also part financing working capital requirements and general corporate

SUJANA TOWERS LIMITED

purposes, it has been decided to make preferential issue of equity shares/convertible warrants to promoter group. It has also been decided to raise additional financial resources of about US\$ 60 Millions by issue of Foreign Currency Convertible Bonds (FCCBs). Further to issue Optionally Fully Convertible Debentures (OFCDs) of Rs.800 Lakhs in accordance with the Scheme of Arrangement and Amalgamation for Transfer of Towers Division of Sujana Metal Products Limited, Hyderabad to the Company, approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 10th April, 2007, which came into effect from 4th May 2007 and as per the letter nos HRO.E.130/2006-591 dated 25th April, 2006, HRO.E.130/2006-1693 dated 21st July, 2006, HRO.E.130/2006-1814 dated 4th August, 2006 and HRO/E.130/2007-877, dated 23rd March, 2007 given by IFCI Limited. It is considered desirable to increase the authorised share capital of the Company to **Rs.50,00,00,000/-** (Rupees Fifty Crores only) divided into 8,80,00,000 (Eight Crores and Eighty Lakhs only) Equity Shares of Rs.5/- (Rupees Five only) each and 6,00,000 (Six Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred only) each.

The proposed increase in the Authorised Share Capital of the Company requires the approval of the members in the general meeting. Consequent upon the increase in Authorised Share Capital of the Company, its memorandum and articles of association also require alteration so as to reflect the increase in authorised share capital.

None of the Directors of the Company is concerned or interested in the above resolution except to the extent of their holding of equity shares in the Company.

Item No.10:

In view of the increased level of operations it is becoming necessary to borrow further funds from the financial institutions/banks in the form of term loans, by way of issue of debentures (convertible and/or non convertible), foreign currency convertible

bonds, external commercial borrowings and from any other lenders, and such borrowings may have to be secured by way of mortgage and/or charge of the immovable and movable properties of the Company, present and future. Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of the public Company shall not, without the consent of the members of the Company in general meeting, mortgage the whole or substantially the whole of the undertaking of the Company. The creation of mortgage and/or charge by the Company on the substantial portion of its immovable and movable properties, require the approval of the members of the Company, by passing a resolution under Section 293(1)(a) of the Companies Act, 1956.

Therefore, the resolution is proposed for your approval.

None of the Directors of the Company is concerned or interested in the above resolution except to the extent of their holding of equity shares in the Company.

Item No.11:

The Company is at present authorized to borrow from the Financial Institutions / Banks (other than the borrowings in the ordinary course of business) in the form term loan by way of issue of debentures (convertible and/or non convertible), foreign currency convertible bonds, external commercial borrowings etc., upto an amount of Rs.200 Crores (Rupees Two Hundred Crores only) in accordance with the consent of the members of the Company obtained in the Extra Ordinary General Meeting held on 27th April, 2007. The existing borrowing powers of Rs.200.00 Crores may not be sufficient and to enable the Company to raise funds from time to time through borrowings, therefore it is proposed to increase the limits of borrowing powers.

Approval of the shareholders is sought under Section 293 (1)(d) of the Companies Act, 1956 to increase the present borrowing powers



from the present level of **Rs.200 Crores to Rs.500.00 Crores** (Rupees Five Hundred Crores only)

Therefore, your Directors recommend the resolution for your approval.

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

Item No.12:

With the growing requirement of funds for meeting the expenditure on expansion of Company's projects and acquisition/setting up of business undertakings in India and/or abroad and also part financing working capital requirements and general corporate purposes, it is proposed to create, issue, offer, allot equity shares and/or warrants compulsorily convertible into equity shares at a later date and/or any other financial instruments compulsorily convertible into equity shares at a later date, as may be decided by the Board either through rights issue or through preferential allotment either to the existing members of the Company, to the promoter group members (which term shall include directors, promoter directors, their families, relatives, friends and associates) and/or non promoters, strategic investors, whether resident in India (individuals as well as bodies corporate) or Non Resident Indians, Overseas Corporate Bodies, Mutual funds, Debentureholders, Employees, Foreign Institutional Investors (FIIs), Companies, other entities/authorities and to such other persons, whether through rights issue, private placement, preferential allotment, exchange of Securities, conversion of loans or otherwise and/or in one or more combination(s). Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise in a general

meeting. The listing agreement with the stock exchanges also provide, inter alia, that the Company in first instance should offer all the shares and debentures to be further issued for subscription pro rata to the equity shareholders unless the shareholders decide otherwise in a general meeting.

The consent of the shareholders is therefore being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time and the listing agreements entered into with the Stock Exchanges, authorising the Board to raise additional capital by further issue of equity shares and/or financial instruments compulsorily convertible into equity shares at later date in such manner or on such terms as the Board may deem fit in the manner proposed in the Resolution.

Disclosure under Clause 13.1A of SEBI (Disclosure and Investor Protection) Guidelines, 2000, regarding proposed issue and allotment of equity shares and/or compulsorily convertible warrants as preferential allotment:

(i) Objects of the issue through preferential offer:

The issue and allotment of warrants and/ or any financial instruments compulsorily convertible into equity shares, as preferential allotment is proposed for meeting the expenditure on expansion of Company's projects and acquisition/setting up of business undertakings in India and/or abroad and/or also part financing working capital requirements and general corporate purposes.

(ii) Intention of promoters/ directors/ key management persons to subscribe to the offer

The promoter directors, their associate Companies and others are intending to subscribe to the offer.

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(iii) Shareholding pattern before and after the preferential offer:

S. No.	Category	PRE ISSUE		PRESENT ISSUE OF COMPULSORILY CONVERTIBLE WARRANTS	POST ISSUE (after conversion of warrants into equity shares)	
		No. of shares held	% of shareholding		No. of shares held	% of shareholding
01	Promoters					
	Indian	11550215	29.67	8000000	19550215	41.66
	Foreign	--	--	--	--	--
02	Non-promoters					
	FII/OCBs	17341338	44.54	--	17341338	36.95
	Govt/Banks/Mutual Funds	2087767	5.36	--	2087767	4.45
03	General Public Shareholding					
	a) Bodies Corporate	1846835	4.74	--	1846835	3.94
	b) Individuals	6106880	15.69	--	6106880	13.01
	TOTAL	38933035	100.00	8000000	46933035	100.00

The Company shall comply with all the applicable provisions of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 as amended from time to time and any provisions of law as may be applicable, at the time of converting the Compulsorily Convertible Warrants proposed to be allotted, into equity shares of the Company.



(iv) Proposed time limit within which the allotment shall be complete:

The allotment of the warrants and/ or any financial instruments compulsorily convertible into equity shares, will be completed within a period of 15 days from **4th October, 2007**, being date on which shareholders sanction is obtained for preferential allotment in forthcoming annual general meeting, as per Section 81(1A) of the Companies Act, 1956 or within 15 days from the date of approval for such allotment by any Regulatory Authority or the Central Government, whichever is later. Therefore, a special resolution is set out in the Notice calling the Annual General Meeting for approval of the shareholders. The pricing of issue of equity shares will be arrived at, as per Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time and the Auditors' Certificate as to the issue price will be placed before the shareholders in the annual general meeting.

(v) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

Shri Y.S.Chowdary, Shri G.Srinivasa Raju, Shri R.K.Birla and Shri S.Hanumantha Rao Promoter-Directors of the Company alongwith the persons forming part of Promoters' Group are holding 29.67% of share capital before the proposed preferential offer and their shareholding will be changed/varied depending upon the conversion of warrants into equity shares of the Company from time to time.

The following are the details of post issue shareholding:

S.No.	Name of the proposed allottee	Post Issue Shareholding (after conversion of warrants into equity shares)	
		Compulsorily Convertible Warrants	% to the total post issue share capital*
	Promoters Category		
1.	Yalamanchilli Finance and Trading (P) Limited, Hyderabad	40,00,000	8.52
2.	Foster Infin & Trading (P) Limited, Hyderabad	40,00,000	8.52
	TOTAL	80,00,000	17.04

*** Post Issue Share Capital:**

The paid up share capital of the Company will be changed/varied from Rs.19,46,65,175/- consisting of 3,89,33,035 equity shares of Rs.5/- each to Rs.23,46,65,175/- consisting of 4,69,33,035 equity shares of Rs.5/- each in different trenches as shown above which is inclusive of equity shares arising out of conversion of compulsorily convertible warrants proposed to be issued and allotted in accordance with the preferential issue guidelines under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time. Therefore for the purpose of arriving at the shares to be held by the proposed allottees, the aggregate of the existing share capital and equity share capital arising out of conversion of compulsorily convertible warrants has been taken into account, as post issue share capital, as per the details given below:

S.No.	Details	No. of Shares (of Rs. 5/- each)
1.	Existing Equity Share Capital (No.of shares)	3,89,33,035
2.	Equity shares arising out of conversion of compulsorily convertible warrants	80,00,000
	Post Issue Equity Share Capital	4,69,33,035

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- vi) **The Provisions of Clause 13.1.1.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time, are applicable to the Company since the Company is having listing on Bombay Stock Exchange Limited for a period of less than six months as on the relevant date i.e., 4th September 2007, as the Company was listed w.e.f.21st August, 2007 and the following is the disclosure required to be made under proviso to Clause 13.1.1.2 and proviso mentioned after sub-clause (e) of clause 13.3.1 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time:**

The issue price for issue of compulsorily convertible warrants on preferential basis has been fixed in accordance with the Clause 13.1.1.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time. The Auditors' Certificate as per the provisions of Clause 13.5.1(b) of SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be placed before the Members at the ensuing Annual General Meeting of the Company.

However, on completing a period of six months of being listed on Bombay Stock Exchange Limited, Mumbai, the Company shall re-compute the issue price of the Compulsorily Convertible Warrants proposed to be issued, in accordance with the provisions mentioned in clause 13.1.1.1 and if the price at which Compulsorily Convertible Warrants were allotted on a preferential basis under clause 13.1.1.2 is lower than the price so recomputed, the difference shall be paid by the respective allottees to the Company.

In the event of non payment of difference amount as mentioned above by the allottees of Compulsorily Convertible Warrants under the proviso to Clause 13.1.1.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 till the expiry of lock-in period applicable as per Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time, the lock-in period in respect of the issued Compulsorily Convertible Warrants/equity

shares arising out of conversion of Compulsorily Convertible Warrants to such allottees shall continue till the time the Company receives such amount from such allottees.

- (vii) **Change in the control or composition of the Board:**

There will neither be any change in the composition of the Board nor any change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding change in the shareholding pattern as well as voting rights consequent to preferential allotment.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of his/her holding of equity shares and to the extent of his/her subscribing to equity shares.

Item No.13:

As per the terms mentioned in Clause 8(viii) of Part II of the Scheme of Arrangement and Amalgamation, which was approved by the Hon'ble High Court of Andhra Pradesh on 10th April 2007 and which came into effect from 4th May, 2007 and in accordance with the letter nos: HRO.E.130/2006-591 dated 25th April, 2006, HRO.E.130/2006-1693 dated 21st July, 2006, HRO.E.130/2006-1814 dated 4th August, 2006 and HRO/E.130/2007-877, dated 23rd March, 2007 received from IFCI Limited, an amount of Rs.800 lakhs is payable by the Company by way of allotment of Optionally Fully Convertible Debentures (OFCDs) redeemable in 18 months from the date of allotment of OFCDs and carrying coupon rate of interest 9% p.a. each payable quarterly with effect from 01.04.2006. The OFCDs are to be redeemed within a period of eighteen months from the date of allotment of OFCDs and if the OFCDs are not redeemed so, they shall stand converted into equity shares of the Company. Therefore, it is proposed to issue and allot to IFCI Limited. 8,00,000 OFCDs at a face value of Rs.100/-



each aggregating Rs.800 lakhs which will be converted into maximum of 5,81,820 equity shares of Rs.5/- each, if the OFCDs are not redeemed within a period of eighteen months from the date of allotment of the proposed OFCDs. The number of shares arising out of conversion of OFCDs may vary depending upon the price at which the OFCDs will be converted into equity as per the Preferential Issue Guidelines contained in the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time.

The number of equity shares arising out of conversion of OFCDs proposed to be allotted to IFCI Limited for transfer of outstanding amount of Rs.800 lakhs from Sujana Metal Products Limited to Sujana Towers Limited as mentioned in Clause 8(viii) of Part II of the Scheme of Arrangement and Amalgamation, which was approved by the Hon'ble High Court of Andhra Pradesh on 10-04-2007, shall not in any case exceed 5,81,820 even after recomputation of issue price as per the Clause 13.1.1.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 amended from time to time. Accordingly post preferential issue equity shares of proposed allottees of OFCDs and post preferential issue paid-up equity share capital may also change / vary.

In accordance with Section 81(3) of the Companies Act, 1956, increase of subscribed capital caused by exercise of option attached to the loans raised by the Company from Public Financial Institutions, to convert such loans into equity is not required to be approved by the members of the Company by passing special resolution in their meeting as specified under Section 81 (1A) of the Companies Act, 1956. However, the Company is listed on Bombay Stock Exchange Limited and proposed to be listed on The Hyderabad Stock Exchange Limited and the Madras Stock Exchange Limited and it has to comply with the Preferential Issue Guidelines contained in the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time, in accordance with which the Company

has to obtain approval from the members of the Company in the General Meeting by passing a special resolution as specified in Section 81 of the Companies Act, 1956.

The consent of the shareholders is therefore being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the listing agreements entered into with the Stock Exchanges, authorising the Board to raise additional capital by further issue of OFCDs and/or financial instruments compulsorily convertible into equity shares at a later date in such manner or on such terms as the Board may deem fit in the manner proposed in the Resolution.

Certified Copies of the Scheme of Arrangement and Amalgamation as approved by the Hon'ble High Court of Andhra Pradesh at Hyderabad on 10.04.2007 will be placed before the Annual General Meeting for inspection of the members of the Company.

The copies of letter nos: HRO.E.130/2006-591 dated 25th April, 2006, HRO.E.130/2006-1693 dated 21st July, 2006, HRO.E.130/2006-1814 dated 4th August, 2006 and HRO/E.130/2007-877, dated 23rd March, 2007 received from IFCI Limited will also be placed before the Annual General Meeting for inspection of the members of the Company.

The Certificate from the Auditors of the Company with regard to pricing of the preferential issue will also be placed before the Annual General Meeting for inspection of the members of the Company.

Disclosure under Clause 13.1A of SEBI (Disclosure and Investor Protection) Guidelines, 2000, regarding proposed issue and allotment of OFCDs as preferential allotment:

(i) Objects of the issue through preferential offer:

The issue and allotment of OFCDs as preferential allotment is proposed pursuant to the Scheme of Arrangement and Amalgamation as approved by the Hon'ble

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High Court of Andhra Pradesh at Hyderabad on 10.04.2007 and Letter Nos: HRO.E.130/2006-591 dated 25th April, 2006, HRO.E.130/2006-1693 dated 21st July, 2006, HRO.E.130/2006-1814 dated 4th August, 2006 and HRO/E.130/2007-877, dated 23rd March, 2007 received from IFCI Limited, Hyderabad for conversion of outstandings into equity shares by way of issue of OFCDs.

(ii) Intention of promoters/directors/others to subscribe to the offer:

The proposed allottee has already expressed its intension and gave its consent for allotment of OFCDs for Rs.800 Lakhs by the Company vide their letter HRO.E.130/2006-591 dated 25th April, 2006, HRO.E.130/2006-1693 dated 21st July, 2006, HRO.E.130/2006-1814 dated 4th August, 2006 and HRO/E.130/2007-877, dated 23rd March, 2007 and the copies of the same will be placed before the members at the forthcoming annual general meeting to be held on 4th October 2007.

(iii) Shareholding pattern before and after the preferential offer:

S. No.	Category	PRE ISSUE		NO. OF WARRANTS PROPOSED TO BE ISSUED AS PER RESOLUTION NO.12 OF THIS NOTICE	NO. OF EQUITY SHARES ARISING OUT OF CONVERSION OF OFCDs PROPOSED TO BE ALLOTTED	POST ISSUE (after conversion of warrants and OFCDs into equity shares)	
		No. of shares held	% of shareholding			No. of shares held	% of shareholding
01	Promoters						
	Indian	11550215	29.67	8000000	--	19550215	41.14
	Foreign	--	--	--	--	--	--
02	Non-promoters						
	FII/OCBs	17341338	44.54	--	--	17341338	36.50
	Govt/Banks/ Mutual Funds	2087767	5.36	--	581820	2669587	5.62
03	General Public Shareholding						
a)	Bodies C orporate	1846835	4.74	--	--	1846835	3.89
b)	Individuals	6106880	15.69	--	--	6106880	12.85
	TOTAL	38933035	100.00	8000000	581820	47514855	100.00

The Company shall comply with all the applicable provisions of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 as amended from time to time and any provisions of law as may be applicable, at the time of converting the OFCDs into equity shares of the Company.

The number of equity shares arising out of conversion of OFCDs proposed to be allotted to IFCI Limited, shall not in any case exceed 5,81,820 even after recomputaton of issue price as per the Clause 13.1.1.2 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 amended from time to time.



(iv) Proposed time limit within which the allotment shall be complete:

The allotment of OFCDs and/ or any financial instruments compulsorily convertible into equity shares, will be completed within a period of 15 days from 04.10.2007, being the date on which shareholders sanction is obtained for preferential allotment in general meeting, as per Section 81(1A) of the Companies Act, 1956 or within 15 days from the date of approval for such allotment by any Regulatory Authority or the Central Government, whichever is later. Therefore, a special resolution is set out in the Notice calling the Annual General Meeting for approval of the shareholders. The pricing of the equity shares arising out of conversion of OFCDs (in the event of conversion) will be arrived as per Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and Auditors' Certificate as to the issue price will be placed before the shareholders in the general meeting.

(v) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

S.No.	Name of the proposed allottee	Post Issue shareholding after conversion of warrants and OFCDs	
		No. of Shares	% to the total post issue share capital*
1.	IFCI Limited, 5-9-13, 8th Floor, Taramandal Complex, Saifabad, Hyderabad - 500 004	5,81,820*	1.22

* The number of equity shares arising out of conversion of OFCDs proposed to be allotted to IFCI Limited, shall not in any case exceed 5,81,820 even after recomputation of issue price as per the Clause 13.1.1.2 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 amended from time to time.

vi) The Provisions of Clause 13.1.1.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000, are applicable to the Company since the Company is having listing on Bombay Stock Exchange Limited for a period of less than six months as on the relevant date i.e., 4th September 2007, as the Company was listed w.e.f. 21st August, 2007 and the following is the disclosure required to be made under proviso to Clause 13.1.1.2 and proviso mentioned after sub-clause (e) of clause 13.3.1 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time:

The issue price for issue of OFCDs on preferential basis has been fixed in accordance with the Clause 13.1.1.2 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time.

However, on completing a period of six months after being listed on Bombay Stock Exchange Limited, Mumbai, the Company shall re-compute the price of the OFCDs proposed to be issued and allotted, in accordance with the provisions mentioned in clause 13.1.1.1 and if the conversion price at which OFCDs proposed to be allotted on a preferential basis under clause 13.1.1.2 is higher or lower than the price so recomputed, the number of equity shares arising out of the conversion of OFCDs shall not, in any case, exceed 5,81,820 equity shares of the Company. Therefore, payment of difference amount between the issue price calculated as on the relevant date i.e., 4th September 2007 and price to be calculated after the expiry of six months under Clause 13.1.1.1 of SEBI (Disclosure and Investor Protection) Guidelines 2000 amended from time to time, does not arise, since the amount of OFCDs is fixed amount as Rs.800 lakhs. The lock in requirements will be as per Clause 13.3.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time.

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(vii) Change in the control or composition of the Board:

There will neither be any change in the composition of the Board nor any change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding change in the shareholding pattern as well as voting rights consequent to preferential allotment.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Item No.14:

In order to meet the requirement of funds for meeting the expenditure on expansion of Company's projects and acquisition/setting up of business undertakings abroad, the Company is proposing to issue FCCBs and/or GDRs and/or ADRs for an aggregate sum up to US\$ 60 million or equivalent in Indian and/or any other currency(ies). The Company feels that international listing of underlying shares would create to a wider public trading market for its equity securities and further International offering would enhance its visibility & brand name and enable the Company to use equity securities for future growth opportunities.

Considering the availability of funds at lower cost in the international market, it is considered prudent to raise capital from international markets through issue of securities viz., FCCBs and/or GDRs/ADRs to foreign investors on a private placement basis or through a public offering.

The detailed terms and conditions for the offer will be determined in consultation with the Advisers, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The relevant date for the purpose of this issue will be 4th September, 2007 as per the applicable legal provisions.

Pursuant to Section 81 of the Companies Act, 1956 and the regulations relating to sponsored offerings of FCCBs and GDRs/ADRs framed under the Foreign Exchange Management Act, 1999, the above proposal require consent of the members by way of a special resolution. Accordingly, the resolution is proposed for the approval of shareholders in this regard and to authorize the Board to carry out various deeds and things for giving effect to this resolution.

The Board of Directors recommends the said special resolution for your approval.

None of the Directors of the Company is concerned or interested in the above resolutions except to the extent of their holding of equity shares in the Company.

BY ORDER OF THE BOARD

PLACE: HYDERABAD

DATE : 03.09.2007

Y.S. CHOWDARY

CHAIRMAN

Additional Information

- Brief profile of Shri Y.S.Chowdary, Director, who retires by rotation and is eligible for re-election.

Shri Y.S.Chowdary has been on the Board since incorporation i.e., 06.04.2006.

Shri Y.S.Chowdary, a post graduate in Mechanical Engineering and a first generation Technocrat Entrepreneur, has been largely responsible for the promotion and growth of Sujana Group. He is the Chairman of Sujana Universal Industries Limited and Sujana Metal Products Limited.

Shri Y.S.Chowdary, presently holding the position of Directorship in Eight other Companies.



DIRECTORS' REPORT

To

The Members of **Sujana Towers Limited**

Your Directors are pleased to place before you the First Annual Report together with the Audited Accounts for the financial year ended 30th June, 2007 comprising of Fifteen (15) months from 06.04.2006 (Date of Incorporation of the Company) to 30.06.2007.

1. Company's Performance:

Your Directors hereby report that your Company has achieved a turnover of Rs.43945.25 Lakhs upto 30.06.2007.

The highlights of the financial results are as follows:

(Rupees in Lakhs)

	<i>Financial Year ended 30th June, 2007 (From 04.06.2006 to 30.06.2007)</i>
Profit before Depreciation & Interest	6343.47
Interest	511.21
Depreciation	674.52
Profit before tax	5157.74
Provision for	
- Current tax	560.14
- Deferred tax	649.14
- Fringe Benefit tax	15.36
Profit after tax	3933.10
Dividend on CRPS	3.72
Profit carried to Balance Sheet	3929.38

2. Operations:

During the period under consideration the Company's working results are transferred from the Towers Division of Sujana Metal Products Limited to your Company. The Company achieved a turnover of Rs. 43945.25 lakhs earning profit after tax of Rs.3933.10 lakhs. During this period the Company successfully completed capacity expansion of the galvanized tower facility to 128,125 TPA in two phases. In the I phase, which became

operational in September 2006, the capacity was expanded to 76,125 TPA. Further expansion to 128,125 TPA was completed by March,2007. The Gross Block as on 30.06.2007 stood at Rs.18225.82 lakhs and the Net Block as on 30.06.2007 stood at Rs.14982.41 lakhs. Your Directors are confident in maintaining the tempo of manufacturing and selling of galvanized towers during the current year.

3. Scheme of Arrangement and Amalgamation:

Your Company had emerged from the demerger of Towers Division of Sujana Metal Products Limited pursuant to the Scheme of Arrangement and Amalgamation as approved by the Hon'ble High Court of Andhra Pradesh at Hyderabad on 10th April, 2007 which came into effect from 4th May 2007. The Company was listed with Bombay Stock Exchange Limited, w.e.f. 21st August 2007.

The copies of (1) Scheme of Arrangement and Amalgamation (2) Order of Hon'ble High Court of Andhra Pradesh dated 10th April, 2007 and (3) Information Memorandum of the Company will be placed before the members at the ensuing Annual General Meeting for their information and inspection and are available on the Company's website at www.sujana.com.

4. Industrial Relations:

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

5. Future Plans

In the light of fast growing demand for supply of power transmission and telecom towers and associated services within the country as well as in the neighboring countries, the Company plans to set up another manufacturing facility at coast based location in order to cater to the domestic and export market. The Company also plans to set up / acquire subsidiaries in the Middle East/ South East Asia in the area of power transmission and telecom infrastructure services. These are expected to create greater shareholder value.

SUJANA TOWERS LIMITED

6. Directors:

Shri Y.S.Chowdary, Director of the Company, is liable to retire by rotation in the forthcoming Annual General Meeting of the Members of the Company and being eligible offers himself for reappointment.

During the year Shri G.Srinivasa Raju, Director of the Company had been appointed as the Managing Director and Shri K.S.Purohit, Shri A.S.Anand Kumar were appointed as additional directors at the meeting of the Board of Directors of the Company held on 28.04.2007, who hold office up to the date of this Annual General Meeting of the Company.

Shri V.S.R. Murthy was appointed as Director (Finance) of the Company w.e.f. 03.09.2007 and Shri M.V. Bhaskara Rao was appointed as Director of the Company w.e.f. 03.09.2007.

7. 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.

8. Auditors:

The Company's existing Statutory Auditors M/s T.Raghavendra & Associates, Chartered Accountants, expressed their inability to continue as Statutory Auditors of the Company due to their pre-occupation. It is proposed to appoint M/s. Price Waterhouse, Chartered Accountants, Hyderabad as Statutory Auditors of the Company for the Financial Year 2007-2008 at a remuneration as fixed by the Board of Directors.

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

9. Personnel:

Information in accordance with Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

10. Human Resource Management:

The key resource for your Company is its employees. Your Company has been able to create a favourable work environment that encourages innovation and meritocracy. Your Company has put in place a scalable recruitment and human resource management. The efforts of your Company in the area of employee management and HR practices have been proved effective in Human Resource Management.

11. Listing of Company's Securities:

The trading in your Company's shares have been commenced at Bombay Stock Exchange Limited w.e.f 21.08.2007 and the Company is in the process of listing on Hyderabad and Madras Stock Exchanges.

12. Dematerialization of Shares:

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



13. Fixed Deposits:

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

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

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

15. 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.

16. Explanations to any qualifications in Auditors' Report:

There are no adverse remarks in the Auditors' Report dated 03.09.2007.

17. Acknowledgment:

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

**PLACE : HYDERABAD
DATE : 03.09.2007**

**Y.S. CHOWDARY
CHAIRMAN**

ANNEXURE - 1

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

A. CONSERVATION OF ENERGY:

- a) Energy Conservation To achieve the savings in energyconsumption, the Company has taken steps to minimize the heat loss.
- 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 to export initiatives taken to increase exports, development of growth. Making efforts for exports
- new export markets for products and services and export plans:
- g) Total foreign exchange earned and used: Earned Rs.128199226/-
Used Rs.1433057

SUJANA TOWERS LIMITED

FORM A
(See Rule 2)

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

1. Electricity, Coal & Furnance Oil - purchased for manufacture of re-rolled products and galvanised towers parts

	2006-2007
1. Electricity	
Units (KWH)	2587124
Total amount (Rs.)	11721499
Rate/units (Rs.)	4.53
2. Coal	
Quantity (Tonnes)	851.83
Total Cost (Rs.)	2723462
Average Rate (Rs.)	3197
3. Furnace Oil	
Quantity (Ltrs.)	1273653
Total Cost (Rs.)	25208930
Average Rate (Rs.)	19.79

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

Electricity (KWH)	138.64
Coal (Tonnes)	0.197
Furnace Oil (Liters)	7.43

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 Galvanised Products, we had undertaken an exercise for product re-orientation by extensive profitable product development.

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

In order to minimise the losses, the Company has initiated necessary steps to increase the sales volumes and improve the profitability by taking up development of wider range of value added products. Towards realisation of these corporate goals we have undertaken extensive profitable product development activity by carrying out the minimum required modifications in the existing production facilities and has developed anti-corrosive steel, epoxy coated structural steel products, pre-fabricated structurals and galvanised pipes and tubes.

3. Future plan of Action:

The products under development are Galvanized Components for Engineering applications, Pipes, Tubes for Chemical Industry.

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 improve ment, 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 there of and future plans of action.	NIL

BY ORDER OF THE BOARD

PLACE: HYDERABAD
DATE : 03.09.2007

Y.S. CHOWDARY
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

A. INTRODUCTION

Sujana Towers Limited had emerged for the transferring of Towers Division of Sujana Metal Products Limited pursuant to the Scheme of Arrangement and Amalgamation as approved by the Hon'ble High Court of Andhra Pradesh at Hyderabad on 10th April, 2007. STL manufactures galvanized steel towers used in the power transmission and telecom tower sectors. It is enhancing branded customers in the power and telecom sectors.

B. INDUSTRY OVERVIEW

Electricity is the prime mover of growth and a critical infrastructure for economic development and sustenance of a modern economy. It is pertinent to achieve advancement in power sector in order to achieve the country's overall advancement. The Government of India has appreciated this fact and its goal to provide "Power for all" by 2012, which includes electrifying all our villages by 2007 and all households by 2012, gives an impetus to the power sector business. The Accelerated Power Development and Reforms Programme ("APDRP") has been put in place by the Government and projects worth over Rs.170 billion have already been approved under this Scheme. The Government has also announced plans to add around 1,07,000 MW of additional Power Generation capacity by the year 2012 and evolved a Transmission plan for strengthening regional grids as well as creating a national grid, which can support this target. An investment of about Rs. 71,000 crores is envisaged in power transmission under central sector and Transmission and Distribution of electricity generated is being accorded a high national priority in view of the significant capacity additions.

The telecom industry is under the purview of Ministry of Communications. The liberalization in the telecom industry started with the telecom equipment sector in the mid 80s and was intended to remove supply constraints in the equipment sector. However, till the mid 90s, telecom services were offered only by the Government or Government controlled entities. The policy-making, operating and regulating functions were all within the Department of Telecommunications (DoT)/Telecom Commission. With the introduction of private sector in telecom services in mid 1990s, these functions were unbundled. The National Telecom Policy 1994 (NTP 1994) was the first major policy

level initiative taken by the Government of India (GoI) in liberalizing the telecom services sector followed by NTP 1999.

C. PERFORMANCE

The Company is focusing on quicker execution, improving margins, reducing costs, release of additional banking limits and reduction in finance costs to result in growth in order book and maintaining an upward trend in the Company's performance.

D. RISKS & CONCERNS

Prices of major inputs such as Steel, Zinc & Aluminum are highly volatile. This could impact the profitability of the Company. There is no formal 'futures' mechanism to enable hedging against Steel price volatility. However, the Company will consider various options in order to procure the material by entering into term contracts.

E. OUTLOOK AND OPPORTUNITIES

The demand for the telecom and power transmission towers is expected to be higher on account of Government Policies for the development of telecom industry and the need of electricity. The Company is having capabilities to quickly adapt to the changing market conditions and sustain the projected growth in sales and profits.

F. ADEQUACY OF INTERNAL CONTROL

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

G. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The relations between the Company and the employees are generally cordial.

H. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, change in Government's regulations, tax regimes, other statutes and other factors such as litigation and industrial relations.

SUJANA TOWERS LIMITED

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

Your Company believes in adopting the best practices in the areas of Corporate Governance. Even in this cutthroat competitive business environment, the Management of your Company is committed to achieve the values of integrity, honesty, transparency and accountability which are fundamental to the Sujana Group.

Clause 49 of the Listing Agreement is effective for the Company with effect from 21.08.2007. However, during the year, the Company has its best corporate practices so as to bring them in line with the revised Clause 49 of the listing agreements. The Company adopted the Code of Conduct for Non- Executive Directors as prescribed in the revised Clause.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholder's wealth and at the same time protect the interests of all its shareholders.

II. Board of Directors

1. Composition of Board of Directors

The Company has a Non-Executive Chairman and the number of Independent Directors is more than 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 Current Policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board and to separate the board functions of governance and management.

Thus, your Company Board of Directors consists of Eight (8) members, out of which one (1) is Managing Director, one (1) is Promoter and Non-Executive Chairman, one (1) is Non-Promoter Whole Time Director and three (3) of them are Independent and Non-Executive Directors and two (2) are Promoters and Non-Executive Directors.

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

The names, categories of the Directors on the Board, their attendance at the Board Meetings during the year, and 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
1.	Shri Y.S. Chowdary	Promoter & Non-Executive Director	Chairman	10
2.	Shri G. Srinivasa Raju	Promoter Director	Managing Director	12
3.	Shri R.K. Birla	Promoter & Non-Executive Director	Director	9
4.	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	Director	11
5.	Shri K.S.Purohit	Independent Director	Director	3
6.	Shri A.S.Anand Kumar	Independent Director	Director	3
7.	Shri V.S.R. Murthy	Non Promoter & Executive Director	Director (Finance)	N.A.
8.	Shri M.V. Bhaskara Rao	Independent Director	Director	N.A.

Sl. No.	Name of the Director	No. of Directorships in other companies		No. of Committee positions held in other companies	
		No. of Chairmanships	No. of Directorships	No. of Chairmanships	No. of Committee Memberships
1	Shri Y.S. Chowdary	5	8	2	6
2	Shri G. Srinivasa Raju	--	5	3	6
3	Shri R.K. Birla	--	2	--	--
4	Shri S. Hanumantha Rao	--	5	1	5
5	Shri K.S.Purohit	--	3	1	2
6	Shri A.S.Anand Kumar	--	2	--	--
7	Shri VSR Muthy	--	--	--	--
8.	Shri M.V. Bhaskara Rao	--	1	--	--

2. Board Procedure

Your Company's Board of Directors meet atleast once a quarter in a year to review the quarterly results and other items on the Agenda and also on the occasion of the Annual Shareholders' Meeting. When necessary, additional meetings were held. Committees of the Board usually meet the same day of the formal Board Meeting or as and when required.

Twelve Board Meetings were held since incorporation upto 30.06.2007 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

28th April, 2006, 7th August, 2006, 31st August, 2006, 6th October, 2006, 13th October, 2006, 17th October, 2006, 1st November, 2006, 19th February, 2007, 4th April, 2007, 28th April, 2007, 4th May, 2007, 8th June, 2007.

Board Meetings are usually held at the Registered Office of the Company. Notices of Board Meetings were sent to the Directors as required under Section 286 of the Companies Act, 1956. Date of Board Meeting was communicated well in advance and the Agenda, explanatory notes were sent in advance to the Directors.

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

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

III. Audit Committee

1. Scope of the Audit Committee

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

- Reviewing the adequacy of Internal Control Systems and the Internal Audit Reports and their compliance thereof;
- Overseeing of the Company's financial reporting process and the disclosure of its financial information;

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- c) Holding periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ internal Auditors;
- d) Reviewing with Management the quarterly and annual financial statements before submission to the Board;
- e) Recommending the board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- f) Recommending the appointment and removal of External Auditor, fixation of audit fee and also approval for repayment for any other services;
- g) Such other matters as may be necessary in course of performing their functions.

2. Composition and Procedure of the Audit Committee

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

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

The Audit Committee of your Company was constituted on 28.04.2007 and reconstituted on 03.09.2007 and comprises of three (3) independent and non-executive directors namely Shri A.S.Anand Kumar, Shri K.S.Purohit and Shri M.V. Bhaskara Rao and one (1) non-executive director namely Shri S.Hanumantha Rao. Shri A.S.Anand Kumar is the Chairman of the Audit Committee.

There are no Audit Committee Meetings held during the year as the first financial year of the Company ended on 30.06.2007.

IV. Remuneration Committee

1. Scope of the Remuneration Committee

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

2. Composition and other details of the Remuneration Committee

The Remuneration Committee of your Company comprises of three non-executive independent directors namely, Shri A.S.Anand Kumar, Shri K.S.Purohit and Shri S.Hanumantha Rao, Shri A.S.Anand Kumar, an independent director, being the chairman of the Committee.

No Remuneration Committee Meeting was held during the financial year 2006 - 2007

3. Remuneration Packages paid to Executive Directors during the year

Name	Salary P.A. Rs.	Commission / Incentives P.A. Rs.	Deferred Benefits (Perquisites) Rs.	Others	Total Rs.
Nil					

Remuneration Policy:

The Remuneration Committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The Remuneration recommendations about the



remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the remuneration committee to the Board.

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

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

The Shareholders' Grievance Committee of your Company comprises of three (3) members namely Shri G.Srinivasa Raju, Shri S.Hanumantha Rao and Shri R.K.Birla. Shri S. Hanumantha Rao is the Chairman of the Committee.

No Shareholders' Grievance Committee Meeting was held during the financial year 2006-2007.

3. Name and Designation of the Compliance Officer

The name and designation of the Compliance Officer of your Company is Shri S.Sampath Kumar, Company Secretary of your Company.

4. No. of Shareholders Complaints received so far during the year- 9 (nine) and all the Complaints were resolved.

5. No. of Pending Transfers

There are no share transfers during the financial year.

VI. Share Transfer Committee

The share transfer committee comprises of Shri G.Srinivasa Raju, Shri S.Hanumantha Rao and Shri R.K.Birla. Shri G.Srinivasa Raju is the Chairman of the Committee. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review no meetings of Share Transfer Committee were held.

VII. General Body meetings

The Financial Year 2006-2007 is the first financial year of the Company, therefore the details of last Annual General Meetings are not applicable. However, one Extraordinary General Meeting of the Company was held on 27.04.2007.

VIII. 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 15 to the Annual Accounts for the year ended 30.06.2007.

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 year.

SUJANA TOWERS LIMITED

3. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms 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.

4. Details of directors seeking appointment/re-appointment at the forthcoming AGM

- a. Shri Y.S. Chowdary, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Shri Y.S.Chowdary has been on the Board since incorporation i.e., 06.04.2006.

Shri Y.S.Chowdary, a post graduate in Mechanical Engineering and a first generation Technocrat Entrepreneur, has been largely responsible for the promotion and growth of Sujana Group. He is the Chairman of Sujana Universal Industries Limited and Sujana Metal Products Limited.

Shri Y.S.Chowdary, presently holding the position of Directorship in Eight other Companies.

- b. Shri K.S. Purohit, Director of the Company proposed to be appointed as a Director of the Company u/s 257 of the Companies Act, 1956.

Shri K.S.Purohit is a Bachelor Degree holder from Bombay University and a Certified Associate of Indian Institute of Bankers.

Shri K.S.Purohit had banking experience of more than 42 years at various senior levels in Public and Private Sector Banks. He is the existing member on the board of many reputed companies.

- c. Shri A.S. Anand Kumar, Director of the Company proposed to be appointed as a Director of the Company u/s 257 of the Companies Act, 1956.

Shri A.S.Anand Kumar is a Master Degree holder in Mathematics from Madras University and also a Certified Associate of Indian Institute of Bankers.

Shri A.S.Anand Kumar has a rich and vast experience in the field of finance and banking in India and abroad for a period of 35 years. He had worked in various senior positions in different Merchant Banking Institutions.

- d. Shri V.S.R. Murthy, Director of the Company proposed to be appointed as Director (Finance) of the Company.

Shri V.S.R Murthy is Highly Experienced Professional Banker with over 34 years of distinguished service and experience in one of the top Public Sector Banks of India, in various capacities starting from the field level to the Senior Management.

- e. Shri M.V. Bhaskara Rao, Director of the Company proposed to be appointed as a Director of the Company u/s 257 of the Companies Act, 1956.

Shri M.V.Bhaskara Rao is a Retired Indian Police Service (IPS). He is a Master Degree holder in Economics and did Diploma in Business Management. He got an award of Indian Police Medal for Meritorious Service in 1990. He completed more than 32 years of service in various capacities of Indian Police and retired as Director General, Civil Defence on 9th June, 1997.

5. CEO&CFO Certification:

Certification by Chief Executive Officer and Chief Financial officer of the Company as required under Clause 49 of the Listing Agreement is provided at the end of Corporate Governance Report



IX. Means of Communication

1. The advertisement of the Company as per Clause 8.3.5.4 of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 had been published on 17.08.2007, in daily newspapers -Andhra Prabha, Economic Times and Navbharath Times and the same is updated in the Company's Website at www.sujana.com
2. Publication of Quarterly Financial Results in daily newspapers - Andhra Prabha or Andhra Bhoomi & New Indian Express or Business Standard and the same will be updated in the Company's Website at www.sujana.com
3. Furnishing the Quarterly Financial Results to Stock Exchanges in which Company's shares are listed.
4. Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Share holders through Post.

X. General Shareholders Information

1. Details pursuant to 1st AGM

1.	<i>Date</i>	04.10.2007
2.	<i>Time</i>	11.30 A.M.
3.	<i>Venue</i>	Naina Gardens, Kukatpally, Hyderabad – 500 072.
4.	<i>Financial Year</i>	2006-2007 (from 06.04.2006 to 30.06.2007)
5.	<i>Book Closure Date</i>	04.10.2007 (One day only)
6.	<i>Dividend Payment Date</i>	Not Applicable

2. Details pursuant to Listing of Securities

a. Listing of Securities

The company shares are presently listed at the Bombay Stock Exchange Limited and the Company is in the process of getting listed on Hyderabad and Madras Stock Exchanges.

b. Stock Code

BSE Scrip Code: **532887**

Demat ISIN in NSDL and CDSL for equity shares: **INE333I01010**

3. Market Price Data-

The trading of equity shares had been commenced w.e.f. 21.08.2007

Date	Price in BSE During each day	
	High (Rs.)	Low (Rs.)
21.08.2007	122.20	122.20
22.08.2007	146.60	130.00
23.08.2007	155.00	128.60
24.08.2007	138.50	131.00
27.08.2007	140.00	133.05
28.08.2007	139.50	133.65
29.08.2007	137.25	128.60
30.08.2007	147.80	135.15
31.08.2007	150.90	137.00
03.09.2007	154.00	145.50

SUJANA TOWERS LIMITED

4. Share Transfer System

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

5. Dematerialization of Shares

90.45% of the Company's Paid-up capital has been dematerialized upto 30.06.2007 as per the following details.

Particulars	Number of Shares	% of Share capital
NSDL	2,74,78,716	70.58
CDSL	77,37,626	19.87
Physical	37,16,693	9.55
Total	3,89,33,035	100.00

6. Distribution of Shareholding

As on 30th June, 2007, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	No. of Shareholders
1. Upto - 5,000	2176961	5.59	10931	92.72
2. 5,001 - 10,000	544137	1.40	346	2.93
3. 10,001 - 20,000	536225	1.38	182	1.54
4. 20,001 - 30,000	540764	1.39	108	0.92
5. 30,001 - 40,000	293122	0.75	41	0.35
6. 40,001 - 50,000	371737	0.95	39	0.33
7. 50,001-1,00,000	921416	2.37	61	0.52
8. 1,00,001 and above	33548673	86.17	81	0.69
Total	38933035	100.00	11789	100.00

Shareholding pattern as on 30th June, 2007:

Sl. No.	Category	No. of Holders	No. of Shares	% to Equity
1.	Promoters and Promoters Group	22	11550215	29.67
2.	Bodies Corporate	375	1924093	4.94
3.	Public—Individuals	11376	6404991	16.45
4.	FII's	12	17111408	43.95
5.	Institutional Investors	4	1942328	4.99
	Total	11789	3,89,33,035	100.00



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

8. Plants Location

- (i) PLOT NO.128/A,
- (ii) PLOT NO.10, 11 AND 12, SURVEY No.172,
- (iii) PLOT NO.9, SURVEY NO.172/EE, U, UU
- (iv) PLOT NO.159 B & C, SURVEY NO.172/A,

I.D.A.BOLLARAM, JINNARAM MANDAL,
MEDAK DIST, A.P.

9. Address for Correspondence

Secretarial Department:

No.18, Nagarjuna Hills,
Panjagutta,
Hyderabad-500 082.
Phone No.23351882.

Regd. & Corporate Office:

No.18, Nagarjuna Hills,
Panjagutta,
Hyderabad-500 082.
Phone No.23351882, 2335 1887.

Registrars and Share Transfer Agents:

M/s. Bigshare Services Private Limited,
G-10, Left Wing, Amruta Ville,
Opp: Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
Hyderabad – 500 082.
Phone No.040-2337 4967

SUJANA TOWERS LIMITED

CEO & CFO CERTIFICATION

We, G. Srinivasa Raju, Managing Director & Chief Executive Officer and Shri Ch.Narayana Rao, Chief Finance Officer, to the best of our knowledge and belief, do hereby certify that

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

G.Srinivasa Raju
Managing Director & Chief Executive Officer

Ch.Narayana Rao
Chief Finance Officer

Date : 03.09.2007.

Place : Hyderabad

Compliance Certificate from Auditors

Auditor's 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 30th June 2007, 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

For M/s T.Raghavendra & Associates
CHARTERED ACCOUNTANTS

Date : 03.09.2007.

Place : Hyderabad

T.Raghavendra
Partner



AUDITORS REPORT

To

The Members of **M/s. SUJANA TOWERS LIMITED**

We have audited the attached Balance Sheet of SUJANA TOWERS LTD as at JUNE 30, 2007, the Profit and Loss Account for the Year ended 30Th JUNE 2007 annexed thereto and the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors of the Company, as on June 30, 2007, and taken on record by the Board of Directors, we report that none of the directors are disqualified from being appointed as a director of the Company in terms of Section 274 of the Companies Act, 1956 on the said date;
 - (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at June 30, 2007;
 - ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the period 1st July 2006 to 30th June 2007; and
 - iii) In so far as it relates to Cash Flow Statement, of the cash flows for the period ended on that date.

For **T.RAGHAVENDRA & ASSOCIATES**
Chartered Accountants

Place: Hyderabad
Date : 03.09.2007

T.RAGHAVENDRA
PARTNER

SUJANA TOWERS LIMITED

Annexure referred to in our report of even date on the accounts for the period ended 30th June, 2007

1.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - b. The assets are physically verified, in phases, by the Management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification. In respect of certain class of assets, verification of which is in progress, discrepancies if any noticed, will be dealt with appropriately later.
 - c. The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
2.
 - a. The stock of raw materials, stores, spare parts and finished goods other than in transit have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
 - a. According to the information and explanations given to us, the Company has not taken any loans from the companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956.
 - b. According to the information and explanations given to us, the Company has not granted any loans to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies act, 1956.
 - c. The Company has not given any loans or advances in the nature of loans.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of Inventory and Fixed Assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5.
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said register.
 - b. In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 and exceeding during the financial year by Rupees five lakhs in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed there under.
7. The Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules 209(1)(d) of Companies Act, 1956 for maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.



9. 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, employees' state insurance, customs Duty, Excise Duty, and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 30th June, 2007 for a period of more than six months from the date of becoming payable.
b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses as at 30th June 2007 and it has not incurred any cash losses in the financial year ended on that or in the immediately preceding financial year.
11. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to Financial Institution and Banks as per the One Time Settlement proposal with the Financial Institutions and /or Banks.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/mutual benefit fund / Societies are not applicable to the Company.
14. As the Company is not dealing or trading in Shares, Securities, Debentures and other Investments, paragraph (xiv) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company for the year.
15. In our opinion and according to the information and explanation given to us, the terms and conditions on which the Company has given guarantee for loan taken by other Company from bank are not prejudicial to the interest of the Company.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and the fresh loans raised have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and an overall examination of the balance sheet of the Company, we report that no funds raised on a short-term basis which have been used for long-term investment, and vice versa.
18. The Company has not issued any debentures during the year and therefore paragraph 4(xix) of the order is not applicable.
19. The Company had not made any preferential allotment of securities to parties and companies during the year.
20. In our opinion, and according to the information and explanations given to us and as far as we could ascertain no personal expenses have been charged to the revenue account.
21. In our opinion, and according to the information and explanations given to us, the Company is not covered within the definition of Sick Industrial Company as contained in Section 3(l) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
22. According to the information and explanations given to us there were no damaged goods in the case of goods purchased for re-sale;
23. During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **T.RAGHAVENDRA & ASSOCIATES**

Chartered Accountants

T.RAGHAVENDRA

PARTNER

Place: Hyderabad

Date : 03.09.2007

SUJANA TOWERS LIMITED**BALANCE SHEET AS ON 30th June, 2007***(Amount in Rs.)*

	SCH REF	At as 30.06.2007
SOURCES OF FUNDS		
1. Shareholders Funds		
i) Equity Share Capital	1	194,665,175
ii) Preference Share Capital		37,179,500
iii) Reserves and Surplus	2	1,469,154,176
2. Deferred Tax Liability		230,930,954
3. Loan Funds		
Secured Loans	3	410,450,632
	TOTAL	2,342,380,437
APPLICATION OF FUNDS :		
1. Fixed Assets		
Gross Block	4	1,662,716,167
Less: Depreciation		324,340,362
Net Block		1,338,375,805
Capital Work in Progress		159,865,638
		1,498,241,443
2. CURRENT ASSETS, LOANS & ADVANCES		
i) Inventories	5	424,917,743
ii) Sundry Debtors	6	808,595,636
iii) Cash And Bank Balances	7	3,454,807
iv) Loans And Advances	8	149,598,348
		1,386,566,534
Less: Current Liabilities & Provisions	9	542,427,540
Net Current Assets		844,138,994
	TOTAL	2,342,380,437
Notes On Accounts	15	

As per our Report of even Date

For and on behalf of the Board

for T. RAGHAVENDRA & ASSOCIATES

Chartered Accountants

G. SRINIVASARAJU

Managing Director

R.K. BIRLA

Director

T. RAGHAVENDRA
Partner**S. SAMPATH KUMAR**
Company Secretary

Place : Hyderabad

Date : 03.09.2007

Place : Hyderabad

Date : 03.09.2007

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD 06.04.2006 TO 30.06.2007***(Amount in Rs.)*

	SCH REF	For The Period Ended 30.06.2007
INCOME		
Sales		4,394,525,046
Other Income	10	2,912,635
Increase/(Decrease) In Stock	11	93,916,851
TOTAL (A)		4,491,354,532
EXPENDITURE		
Materials Consumed	12	3,704,618,197
Manufacturing, Selling and Administration Expenses	13	152,389,166
Financial Charges	14	51,121,462
Depreciation		67,452,012
TOTAL (B)		3,975,580,837
PROFIT BEFORE TAXATION		515,773,695
Provision for Current Tax		56,014,252
Provision for Deferred Tax		64,913,839
Provision for Fringe Benefit Tax		1,536,214
Profit After Taxation		393,309,390
Dividend on CRPS		371,795
Profit Carried To Balance Sheet		392,937,595
Basic Earnings Per Share		10.10
Diluted Earnings Per Share		10.10
Notes on Accounts	15	

As per our Report of even Date

For and on behalf of the Board

for T. RAGHAVENDRA & ASSOCIATES
Chartered Accountants**G. SRINIVASA RAJU**
Managing Director**R.K. BIRLA**
Director**T. RAGHAVENDRA**
Partner**S. SAMPATH KUMAR**
Company SecretaryPlace : Hyderabad
Date : 03.09.2007Place : Hyderabad
Date : 03.09.2007

SUJANA TOWERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

	At as 30.06.2007
Schedule No 1	
Share Capital	
Authorised	
401,00,000 Equity Shares of Rs.5/- each	200,500,000
6,00,000 Cumulative Redeemable Preference Shares of Rs 100/-each	60,000,000
	<u>260,500,000</u>
Issued,Subscribed And Paid Up	
3,89,33,035 Equity Shares of Rs.5/- each	194,665,175
3,71,795 Cumulative Redeemable Preference Shares of Rs 100/-each	37,179,500
	<u>231,844,675</u>
Schedule No 2	
Reserves And Surplus	
1. Capital Reserve	1,076,216,581
2. Profit And Loss Account	392,937,595
	<u>1,469,154,176</u>
Schedule No 3	
Secured Loans	
Term Loans	410,450,632
	<u>410,450,632</u>

Schedule No : 4

Schedule Of Fixed Assets As On 30.06.2007

(Amount in Rupees)

Description	Cost				Depreciation			Net Block	
	As on 01.07.2006	Additins During The Period	Deletions During The Period	As on 30.06.2007	Up to 30.06.2006	For the Period	Total	As on 30.06.2007	As on 30.06.2006
Land	723,811	-	-	723,811	-	-	-	723,811	723,811
Buildings	13,930,261	35,839,389	-	49,769,650	1,247,485	1,942,875	3,190,360	46,579,291	12,682,776
Plant & Machinery	1,051,324,459	523,356,676	-	1,574,681,135	247,913,035	63,330,920	311,243,955	1,263,437,180	803,411,424
Workshop Equipment	723,410	-	-	723,410	98,231	34,362	132,593	590,817	625,179
Weighing Machine	478,029	655,842	-	1,133,871	289,576	38,283	327,859	806,012	188,453
Electrical Installation	2,307,356	9,138,574	-	11,445,930	1,132,084	326,641	1,458,725	9,987,205	1,175,272
Furniture & Fixtures	202,141	80,730	-	282,871	41,010	14,499	55,509	227,362	161,131
Office Equipment	478,193	603,268	-	1,081,461	274,722	29,878	304,600	776,861	203,471
Vehicles	4,415,601	120,532	-	4,536,133	3,882,920	422,345	4,305,265	230,868	532,681
Computer System & Erp	2,943,768	15,394,127	-	18,337,895	2,009,287	1,312,211	3,321,498	15,016,397	934,481
Total	1,077,527,029	585,189,138	-	1,662,716,167	256,888,350	67,452,012	324,340,362	1,338,375,805	820,638,679

: : 41 : :



SUJANA TOWERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

At as
30.06.2007

Schedule No 5

Inventories:

(As Taken, Valued And Certified by the Management)

i) Raw Material	3,239,373
ii) Stock in Process	157,108,860
iii) Finished Goods	134,944,374
iv) Stores, Spares & Consumables	129,625,136
	<u>424,917,743</u>

Schedule No 6

Sundry Debtors :

(Unsecured And Considered Good)

i) Debts outstanding for a period exceeding six months	36,412,543
ii) Other Debts	772,183,093
	<u>808,595,636</u>

Schedule No 7

Cash & Bank Balances

Cash on Hand	1,929,331
Bank Balances with Scheduled Banks	
In Current Account	70,976
In Margin Money Account	1,454,500
	<u>3,454,807</u>

Schedule No 8

Loans & Advances :

(Advances recoverable in cash or in kind
or for value to be received)

Advances To Suppliers	116,581,987
Other Advances	5,273,976
Staff Advances	135,644
Others	27,606,741
	<u>149,598,348</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

At as

30.06.2007

Schedule No : 9

Current Liabilities & Provisions

A) Current Liabilities:

Sundry Creditors	299,528,226
Outstanding Liabilities	8,183,654
Advances from Customers	143,261,246
Other Liabilities	33,532,153

B) Provisions:

Provision for Dividends on CRPS	371,795
Provision for Income-tax	56,014,252
Provision for Fringe Benefit Tax	1,536,214

542,427,540

Schedule No : 10

Other Income

Interest Earned	2,253,427
Miscellaneous Income	659,208

2,912,635

Schedule No : 11

Accretion/(Decretion) To Stocks

Stock At Commencement:

Stock in Process	194,599,366
Finished Goods	3,537,017

198,136,383

Stock At Close:

Stock in Process	157,108,860
Finished Goods	134,944,374

292,053,234

Increase/(Decrease) in Stock

93,916,851

SUJANA TOWERS LIMITED**SCHEDULES FORMING PART OF THE ACCOUNTS***(Amount in Rupees)*

Sources of Funds	At as 30.06.2007
Schedule No : 12	
Raw Materials Consumed	
Opening Stock of Materials	13,327,785
Add: Purchase of Materials	3,694,529,785
	3,707,857,570
Less: Stocks at Close	3,239,373
Materials Consumed	3,704,618,197
Schedule No : 13	
Manufacturing, Selling & Admn Expenses	
Power & Fuel	39,653,891
Stores, Spares & Consumables	46,303,392
Repairs & Maintenance to	
i) Plant & Machinery	1,742,233
ii) Other Assets	107,216
Other Mfg. Expenses	24,483,700
Salaries, Wages & Bonus	15,102,414
Emoployer Contribution to ESI & PF	680,363
Staff Welfare	1,694,467
Printing & Stationery	436,503
Postage, Telegrams & Telephones	825,130
Conveyance & Travelling	5,774,315
Directors Travelling Expenses	1,091,068
Rent, Rates & Taxes	932,553
Professional & Consultancy Charges	1,387,549
Audit Fees	
For Statutory Audit	89888
For Tax Audit	22472
Watch & Ward	1,531,191
Insurance	222,236
Factory Maintenance	3,708,010
Repairs to Building	663,967
Miscellaneous Expenses	3,908,575
Sales Promotion & Advertisement	1,205,263
Commission & Discount	396,659
Carriage Outwards	426,111
	152,389,166
Schedule No : 14	
Financial Charges:	
Interest on Term Loans	44,606,865
Interest to Others	515,189
Other Financial Charges	5,999,408
	51,121,462



Schedule – 15

Accounting Policies & Notes On Accounts

1. Accounting Standards Compliance

The financial statements have been prepared in accordance with the norms and principles prescribed in the Accounting Standards issued by the Institute of Chartered Accountants of India which are itemised below.

AS - 1 Disclosure of accounting policies

The Company is following accrual basis of accounting on a going concern concept, except in so far as it relates to product warranty claim expenses which are accounted for, on cash basis (Refer Note on AS-29).

AS - 2 Valuation of inventories

- a. Raw materials, components, stores and spares and other trading products are valued at cost 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.
- b. Excise duty in respect of finished goods lying within the factory are excluded in valuation of inventories.

AS - 3 Cash Flow statements

Cash flow statement has been prepared under indirect method.

AS - 4 Contingencies and events occurring after the Balance Sheet Date

There are no contingencies and events after the Balance Sheet date that affect the financial position of the Company.

AS - 5 Net profit or loss for the period, prior period items and changes in accounting policies Details of prior period items in Profit and Loss account

During the year there are no changes in accounting policies of the Company. There are no prior period adjustments as this is the first year of operations.

AS - 6 Depreciation accounting

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

AS - 7 Accounting for Construction contracts

The Company is not engaged in any construction business covered by this standard.

AS - 8 Accounting for Research and Development

This standard stands withdrawn as Accounting Standard 26 - Intangible Assets have become mandatory .

AS - 9 Revenue recognition

- a. Income and expenditure are accounted on a going concern basis.
- b. The Company's income consists of income from sale of manufactured goods & Processed goods.
- c. Sales is accounted net of excise duty and sales tax.
- d. Interest on Margin Money accounted on cash basis.

SUJANA TOWERS LIMITED

AS - 10 Accounting for fixed assets

Fixed Assets are stated at cost of acquisition or construction cost net of cenvat and includes expenditure incurred upto the date the asset is put to use, less accumulated depreciation. However, the opening figures are taken as per the Demerger effected by the Hon able High Court of Andhra Pradesh.

AS - 11 Accounting for effects in foreign exchange rates

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the closure of Balance Sheet. Material gain or loss on account of fluctuation in exchange rate is treated as income or expenditure during the year at the time of transaction.

AS - 12 Accounting for Government Grants

The Company has received no government grants during the current accounting period.

AS - 13 Accounting for Investments

This standard is not applicable to the Company for the period under review.

AS - 14 Accounting for amalgamation

This standard is not applicable to the Company for the period under review.

AS - 15 Accounting for Retirement benefits

Contribution to Provident fund is charged to Profit & Loss Account. The Gratuity and other Retirement benefits shall be accounted for as and when the liability arises.

AS - 16 Borrowing cost

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets which are capitalised. During the period under review there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalized

AS - 17 Segment reporting

The Company manufactures Iron & Steel Products only and hence no disclosure is made as per the requirements of the standard.

AS - 18 Related party disclosure

Disclosure is made as per the requirements of the standard and as per the clarifications issued by the Institute of chartered Accountants of India under Item No.7 of Schedule 15 of Notes on Accounts.

AS - 19 Leases

This standard is not applicable to the Company for the period under review.

AS - 20 Earnings per share

Disclosure is made in the Profit and Loss account as per the requirement of the standard.

AS - 21 Consolidated financial statements

The Company does not have any subsidiary and hence this standard on presenting consolidated financial statements does not arise.

AS - 22 Accounting for taxes on income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred tax resulting from timing differences between book and taxable profit is accounted for, using the tax rates in force as on 31st March,2007. The deferred tax Liability is recognised and carried forward only to the extent that there is reasonable certainty that the liability will be cleared in future.

Accordingly the provision for deferred tax for the previous year 2006-07 has been computed at Rs. 6,49,13,839/- and the deferred tax liability upto the current year is Rs.23,09,30,954/-



AS-23 Accounting for Investments in Associates in Consolidated Financial Statements

This standard is not applicable for the Company as it does not present any consolidated financial statements.

AS-24 Discontinuing Operations

None of the business operations are discontinued during the period under review and hence compliance with this standard does not arise.

AS-25 Interim Financial Reporting

Quarterly financial results are published in accordance with the requirement of listing agreement with stock exchanges for the first time during the quarter ended 30th June 2007. The recognition and measurement principle as laid down in the standard have been followed in the preparation of these results.

AS-26 Intangible Assets

This standard is not applicable for the Company.

AS-27 Financial Reporting of Interest in Joint ventures

This standard is not applicable to the Company as the Company does not have any joint venture interest.

AS-28 Impairment of Assets

This standard is not applicable for the Company as it does not have any impaired assets.

AS -29 Provisions, Contingent Liabilities and Contingent Assets

Future warranty costs on sale of products is being accounted on Cash basis. There are no contingent liabilities or assets for the Company during the year under review.

Notes on Accounts.

2. Scheme of Arrangement:

Pursuant to the Scheme of Arrangement and amalgamation ("the Scheme") under sections 391 to 394 of the Companies Act, 1956, the **TOWERS DIVISION of SUJANA METAL PRODUCTS LIMITED (SMPL)**, has been demerged into the Company with an appointed date of 01.07.2006 and the said scheme has been approved by the Hon 'able High Court of Andhra Pradesh vide its Order dated 10th April 2007. The certified Copy of the Order has been filed with the Registrar of Companies, A.P Hyderabad on 4th May 2007 which is the effective date for the transfer of Towers Division of SMPL to the Company. The Business of the Company was carried on by SMPL from 01.07.2006 (i.e appointed date) to 04.05.2007 (i.e. effective date)

3. Term Loan from IDBI of Rs 1025.67 lacs and the Interest thereon is secured by First Charge on the entire assets of the Company both present and future subject to the prior charges created for the borrowing of working capital and further secured by the guarantees of Sri.Y.S.Chowdary, Chairman, Sri.G.Srinivasa Raju Director of the Company and Sri.S.T.Prasad, relative of the Chairman in their personal capacities.
4. Term Loan from IFCI of Rs 1078.84 lacs (including Funded Interest Term Loan of Rs 800 Lacs) and the Interest thereon is secured by First Charge on the entire assets of the Company both present and future ranking parripassu with the charges already created in favour of existing Term Lenders subject to the prior charges created for the borrowing of working capital and further secured by the guarantee of Sri.Y.S.Chowdary, Chairman ,
5. Term Loan availed from Karnataka Bank Ltd of Rs 2000.00 lacs and the Interest thereon is secured by Exclusive Charge on the Equipment purchased out of this Finance , Paripassu First Charge on the residual Value of the Fixed assets of the Company ,Paripassu Second Charge on the Current Assets of the Company and Personal Guarantees of Sri.Y.S.Chowdary and Sri.G.Srinivasa Raju .

SUJANA TOWERS LIMITED

6. Basic and Diluted Earnings Per Share

(Rs. in lakhs)

	2006-07
Net Profit after Tax	3933.10
Add/(Less): Dividend on CRPS	(3.72)
Net Profit available for Equity shareholder	3929.38
No of Equity Shares	3,89,33,035
Basic & Diluted Earnings per Share of Rs 5/-each (Rs)	10.09

7. Related party transactions :

The following are related parties as defined in Accounting Standard 18 of the The Institute of Chartered Accountants of India - M/s. Yalamanchili Finance & Trading Pvt. Limited , M/s. Foster Infin & Trading Private Limited, M/s. Sujana Universal Industries Limited , M/s. Sujana Metal Products Limited, M/s Sujana Finance and Trading Pvt Ltd, M/s. Sujana Power (Tuticorin) Limited & M/s. Sujana Power (Gangikondan) Limited.

Particulars of Transactions with related parties

(Rs. in lakhs)

Transaction	As at 30.6.2007
Sales	509.43
Purchases	167.72
Outstanding Balance –Debit	86.09

8. Provision for Taxation has been made on the basis of Company's computation of Income .

9. Confirmation of Letters for Debtors, Creditors, Advance from Customers and Advance to Suppliers have been sent and some of the confirmations are yet to be received.

10. As regards to compliance of provisions relating to the dues to the Small Scale Industries in terms of the Companies (Amendment) Act ,1999, the Company has no information, as to whether its suppliers constitute Small Scale Industrial Undertakings and consequently the amount due to such Industrial Undertakings have not been identified.

(Rs. in lakhs)

11. Particulars of Remuneration to the Directors

	For the period ended 30 June 2007
Managing Director	
a. Salary	NIL
b. Perquisites	NIL
Total	NIL

12. Additional information pursuant to Para 3 and 4 of the Part II of Schedule VI of the Companies Act,1956

I. CAPACITY & PRODUCTION

Licensed Capacity : Not Applicable

Installed Capacity

a) Re Rolled Steel Products (MT) : 70000 Per Annum

b) Pre Fabricated & Galvanised Steel (MT) : 128125 Per Annum



	Qty. (MT)	For the year ended 30th June 2007
	Amount (Rs.)	
Actual Production		
Re-rolled Products, Galvanised Steel & Processed Steel	148105.276	
II. VALUE OF RAW MATERIAL		
CONSUMED DURING THE YEAR		
M S Ingots & Steel Products - Indigeneous	148662.326	3,309,913,208
Others- indigeneous		381,429,089
imported		1,32,75,900
Consumable Stores & Spares Consumed		46,303,392
III. SALES		
Iron & Steel Products	139712.685	3,595,281,767
M S Scrap	5011.190	61,023,511
M S Ingots	680.62	12,618,665
Others		725,601,103
		4,394,525,046
IV. Opening & Closing Stock Of Finished Goods (Iron & Steel Products)		
Opening Stock (Mt)	203.887	35,37,107
Closing Stock Iron& Steel (Mt)	3620.059	93,764,657
Steel Products (Nos)	325	41,179,717
V. Value Of Imports On CIF Basis		
		13,275,900
VI. Expenditure In Foreign Currency- Travelling		
		10,54,673
VII. Value Of Exports On FOB Basis		
		128,199,226
VIII. Earnings In Foreign Exchange		
		128,199,226
13. Schedules 1 to 15 form integral part of the balance sheet. Figures for the previous year are not given since the Company was formed on 06-04-2006.		

As per our Report of even Date

For and on behalf of the Board

for T. RAGHAVENDRA & ASSOCIATES
Chartered Accountants

G.SRINIVASA RAJU
Managing Director

R.K.BIRLA
Director

T.RAGHAVENDRA
Partner

S.SAMPATH KUMAR
Company Secretary

Place : Hyderabad
Date : 03.09.2007

Place : Hyderabad
Date : 03.09.2007

SUJANA TOWERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2007

(Amount in Lakhs)

A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit Before Tax	5157.74
Adjusted for Depreciation	674.52
Financial Charges	511.21
Interest Earned & Other Income	(29.13)
Operating Profit before Working Capital Charges	6314.35
Adjusted for	
Decrease / (Increase) in Inventories	(4249.18)
Decrease / (Increase) in Debtors	(8085.96)
Decrease / (Increase) in Loans & Advances	(1510.53)
Decrease / (Increase) in Current Liabilities	5424.27
Cash Generated from Operations	(2107.05)
Interest and Financial Charges	(511.21)
Other Income	29.13
Cash from Operating Activities (A)	(2589.14)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Decrease / (Increase) in Fixed Assets - Net	(15656.94)
Cash used in Investment Activities (B)	(15656.94)
C. CASH FLOW FROM FINANCIAL ACTIVITIES	
Decrease / (Increase) in Long Term Borrowings	4104.51
Decrease / (Increase) in Shareholders Funds	14161.57
Net Cash from Financing Activities (C)	18266.07
D. Net Increase in Cash & Cash Equivalent (A+B+C)	20.00
E. Cash & Cash Equivalent as on 30.06.2007	20.00

For and on behalf of the Board

Place : Hyderabad
Date : 03.09.2007

G. SRINIVASA RAJU
Managing Director

R.K. BIRLA
Director

S. Sampath Kumar
Company Secretary

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Sujana Towers Limited, for the year ended 30.06.2007. The statement has been prepared by the Company in accordance with requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss account and Balance sheet of the Company covered by our Report of 03.09.2007 to the Members of the Company.

for T. RAGHAVENDRA & ASSOCIATES
Chartered Accountants
T.RAGHAVENDRA
Partner

Place : Hyderabad
Date : 03.09.2007



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Lakhs)

I	REGISTRATION DETAILS	
	Registration No / Company Identification No.	CINU40109AP2006PLC049743
	Balance Sheet	30.06.2007
II	CAPITAL RAISED DURING THE YEAR	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III	POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS	
	Total Liabilities	23423.80
	Total Assets	23423.80
	<u>Sources of Funds</u>	
	Paid up Equity Share Capital	1946.65
	Cumulative Redeemable Preference Share Capital	371.80
	Reserves & Surplus	14691.54
	Deferred Tax Liability	2309.31
	Secured Loans	4104.51
	<u>Application of Funds</u>	
	Net Fixed Assets	13383.76
	Work in Progress	1598.66
	Net Current Assets	8441.39
IV	PERFORMANCE OF THE COMPANY	
	Total Income	44913.54
	Total Expenditure	39755.81
	Profit before Tax	5157.74
	Profit after Tax	3933.10
	Earnings per Share in Rs.	10.10
V	GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY	
	PRODUCT DESCRIPTION	STEEL ANGLES, SHAPES & U, I, H, L & T SECTIONS
	ITEM CODE (IT CODE NO.)	72161000
	PRODUCT DESCRIPTION	GALVANISED STEEL PRODUCTS
	ITEM CODE (IT CODE NO.)	73082000

SUJANA TOWERS LIMITED

Regd.Office: Plot No.18, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082.

Regd Folio No./Client ID. :

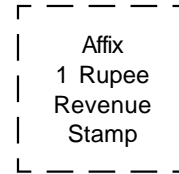
No of Shares Held

PROXY FORM

I/We.....resident(s) of
.....being a member/members of SUJANA TOWERS LIMITED hereby
appoint Mr/Ms.....of..... or failing him/
her.....of.....as my/our proxy to attend and vote for me/us on my/our
behalf at the First Annual General Meeting of the Company to be held on the 4th October, 2007 and at any
adjournment thereof.

Signed this theday of 2007

Signature.....



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

A PROXY NEED NOT BE A MEMBER.

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SUJANA TOWERS LIMITED

Regd.Office: Plot No.18, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082.

Member's Folio No. / Client ID.....

No.of Shares held.....

ATTENDANCE SLIP (for 1ST AGM)

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

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

I hereby record my presence at the First Annual General Meeting to be held on 04.10.2007 at Naina Gardens, Kukatpally, Hyderabad – 500 072 at 11.30 A.M.

To be signed at the time of handing over this slip

.....

Member's/Proxy's Signature

#

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INVITATION FOR LUNCH

Members of the Company are invited to lunch at 1.00 P.M. on 04.10.2007 at the venue of AGM.

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If undelivered, please return to:

SUJANA TOWERS LIMITED

18, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082.

Phone: 2335 1882 / 85/87