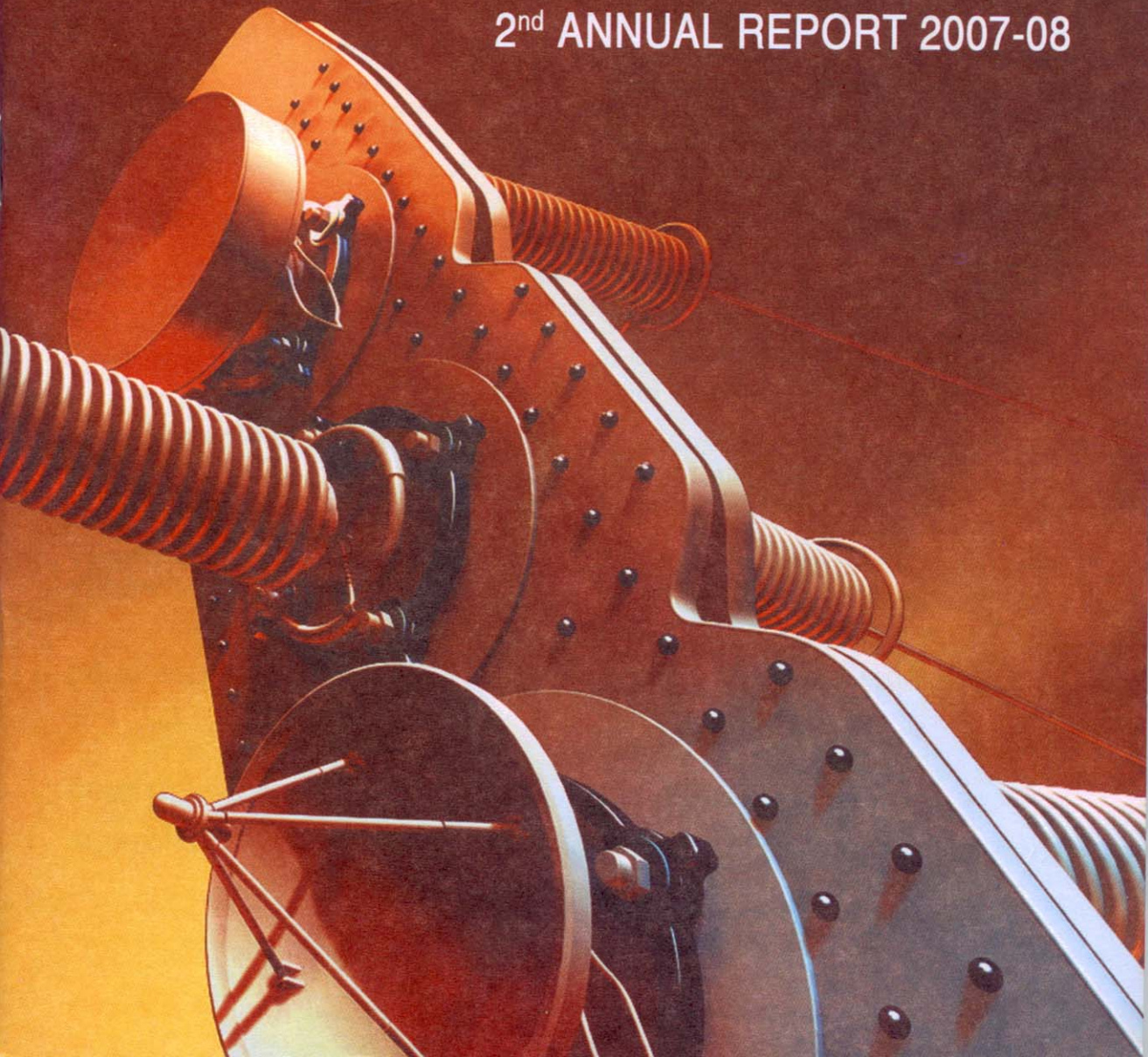




SUJANA TOWERS LIMITED

**Investing our
business with value**

2nd ANNUAL REPORT 2007-08



BOARD OF DIRECTORS

CHAIRMAN	:	SHRI Y.S. CHOWDARY
MANAGING DIRECTOR	:	SHRI G.SRINIVASA RAJU
DIRECTORS	:	SHRI R.K.BIRLA SHRI S.HANUMANTHA RAO SHRI K.S.PUROHIT* SHRI A.S.ANAND KUMAR* SHRI M.V. BHASKARA RAO* SHRI S. VENKATACHALAM* SHRI K. RAGHAVAI AH* *Independent, Non-Executive Directors
AUDIT COMMITTEE	:	SHRI A.S.ANAND KUMAR SHRI K.S.PUROHIT SHRI M.V.BHASKARA RAO SHRI S.HANUMANTHA RAO
MANAGEMENT COMMITTEE	:	SHRI Y.S. CHOWDARY SHRI G. SRINIVASA RAJU SHRI S.HANUMANTHA RAO SHRI R.K.BIRLA
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 L. NARASIMHA RAO
AUDITORS	:	M/S R.SUBRAMANIAN AND COMPANY CHARTERED ACCOUNTANTS NO.6 (36), KRISHNASWAMY AVENUE, LUZ, CHENNAI - 600 004.

SUJANA TOWERS LIMITED

- BANKERS** : KARNATAKA BANK LIMITED
UCO BANK
IDBI BANK LIMITED
SBI FACTORS AND COMMERCIAL SERVICES (P) LTD.
- FINANCIAL INSTITUTIONS** : IFCI LIMITED
IDBI BANK LIMITED
EXIM BANK LIMITED
SICOM 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, SY. No.172
(iii) PLOT NO.9, SY NO.172/EE, U, UU
(iv) PLOT NO.158 B & C, SY NO.172/A
I.D.A.BOLLARAM, JINNARAM MANDAL
MEDAK DIST, A.P.
(v) KHANAPUR PROJECT
SY. NO. 321
TURKALA KHANAPUR VILLAGE
HATNUR MANDAL
MEDAK DIST. A. P.
- LISTING** : BOMBAY STOCK EXCHANGE LIMITED
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET, MUMBAI - 400 001

NATIONAL STOCK EXCHANGE OF
INDIA LIMITED
EXCHANGE PLAZA, PLOT NO. C/1
G BLOCK, BANDRA-KURLA COMPLEX
BANDRA (E), MUMBAI - 400 051
- 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 Second Annual General Meeting of the members of the Company will be held on Friday, the 27th day of February, 2009 at Hotel Sitara Residency, Ameerpet, Hyderabad - 500 038 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 30th September, 2008 and the profit and loss account for the period ended 30th September, 2008 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S. Hanumantha Rao, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R.K. Birla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors M/s R. Subramanian & Company, Chennai, are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED that Shri S. Venkatachalam, who was appointed as an Additional Director of the Company with effect from 28.07.2008 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 Ordinary Resolution.***

"RESOLVED that Shri K. Raghavaiah, who was appointed as an Additional Director of the Company with effect from 29.12.2008 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."

BY ORDER OF THE BOARD

PLACE: HYDERABAD
DATE : 29.01.2009

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 on 26.02.2009 (one day only).
4. The Register of Directors' Shareholdings 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

SUJANA TOWERS LIMITED

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.5

Shri S. Venkatachalam was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 28th July, 2008, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Shri S.Venkatachalam is having Bachelors Degree in Engineering from M.S. University of Baroda, Masters Degree in Industrial Engineering and Management, University of Loughborough England and Diploma in Marketing from Institute of Marketing, London. He is Fellow Member of Institute of Marketing and Member of the British Institute of Management, England. He is having 41 years of experience with leading business houses viz., (1) M.N. Dastur & Co., Richardson Cruddas Ltd., (2) Rendell Palmer & Tritton.then with Cleveland Bridge, England, (3) Lloyd Steel Industries Limited and (4) Essar Group and having Memberships/Directorships in different organizations. 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. S. Venkatachalam 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 S. Venkatachalam is concerned or interested in the aforesaid resolution.

Item No.6

Shri K. Raghavaiah was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 29th December, 2008, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Shri K. Raghavaiah is having a degree of BE(Hons) Mech. Engineering from the Govt. College of Engineering, Kakinada and is a Fellow Member of Institute of Engineers. Shri K. Raghavaiah is having more than 40 years of experience with various leading organizations. He worked with Bharat Heavy Electricals Limited (BHEL) for more than 20 years and left the organization in the capacity of DGM and he also worked with Bharat Heavy Plate & Vessels Limited (BHPVL) for 13 years and left the organization in the capacity of Managing Director to form his own Consultancy Company. 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. Raghavaiah 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. Raghavaiah is concerned or interested in the aforesaid resolution.

BY ORDER OF THE BOARD

PLACE : HYDERABAD

DATE : 29.01.2009

Y.S. CHOWDARY

CHAIRMAN

ADDITIONAL INFORMATION

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

Shri S. Hanumantha Rao has been on the Board of Directors since 6th April, 2006.

Shri S.Hanumantha Rao is a Promoter Director of Sujana Towers Limited. He is 57 years old and has done B.Tech and he is a member of Institute of Cost and Works Accountants of India. He worked 20 years in State Bank of India and 3 years as Financial and Management Consultant. He is associated with Sujana Group from the last 12 years.

Brief profile of Shri R.K. Birla, Director, who retires by rotation and is eligible for re-election.

Shri R.K. Birla has been on the Board of Directors since 6th April, 2006.

Shri R.K.Birla is a Promoter Director of Sujana Towers Limited. He is 55 years old and did his Bachelor Degree Course in Arts and Master of Business Administration (MBA) from BITS Pilani. He has worked with Poddar Products Limited as Chief Executive for 8 years and later in the year 1992 he joined the group as Director.

DIRECTORS' REPORT

To the Members of Sujana Towers Limited,

Your Directors are pleased to place before you the Second Annual Report together with the Audited Accounts for the financial period ended 30th September, 2008 comprising of Fifteen (15) months from 01.07.2007 to 30.09.2008.

1. Company's Performance

Your Directors hereby report that the Company has achieved a turnover of Rs. 74774.32 Lakhs upto 30.09.2008.

The highlights of the financial results are as follows:

(Rupees in Lakhs)

Particulars	Financial period ended 30th September, 2008 consisting of 15 months (From 01.07.2007 to 30.09.2008)	Financial year ended 30th June, 2007 consisting of 12 months (From 04-06-2006 to 30-06-2007)
Profit before Depreciation and Interest	11553.51*	6343.47
Interest	2181.99	511.21
Depreciation	1416.48	674.52
Profit before tax	7955.04	5157.74
Provision for		
- Current tax	1152.70	560.14
- Deferred tax	2671.09**	649.14
- Fringe Benefit tax	8.14	15.36
Profit after tax	4123.11	3933.10
Dividend on CRPS	7.17	3.72
Profit carried to Balance Sheet	4115.94	3929.38

* includes previous year income of Rs. 125.39 lakhs.

** includes Rs. 615.36 lakhs of shortfall for earlier year.

2. Operations

The Company achieved a turnover of Rs. 74774.32 lakhs and earned profit after tax of Rs. 4123.11 lakhs. The Gross Block as on 30.09.2008 stood at Rs. 26434.04 lakhs and the Net Block as on 30.09.2008 stood at Rs. 21805.81 lakhs.

SUJANA TOWERS LIMITED

During the financial year, your Company had taken up several expansion programmes for its business growth both in India and abroad.

3. **Subsidiaries**

Digitech Business Systems

Your Company acquired M/s Digitech Business Systems Limited at Hong Kong as it's Wholly Owned Subsidiary (WOS) by investing an amount of US \$ 5001 towards share capital to cater the needs of the customers located at Hong Kong and other neighbouring countries.

The operations of the subsidiary company are yet to be commenced. Therefore, audited accounts, Directors' Report, Auditors' Report and other related information of M/s Digitech Business Systems Limited are not annexed as per Sec.212 of the Companies Act, 1956.

Telesuprecon Limited

Your Company had acquired 51% of the shareholdings of M/s Telesuprecon Limited, a GBL 2 Company incorporated in Mauritius. M/s Telesuprecon Limited is having its branches at (1) Blantyre, Malawi, (2) Nairobi, Kenya and (3) Lusaka, Zambia, (being converted to Branch) and in the business of providing infrastructure facilities of both telecom and transmission towers.

The Telecom Business in Africa is picking up on par with other developing countries. The telecom growth in India during last five years is expected to replicate in Africa in next five years. The penetration of telephones is about 32% and expected to reach 95% by 2012. Hence the telecom business in African Continent is growing very fast. STL is targeting this business opportunity through its subsidiary company Telesuprecon Limited. The company is in the business of turn-key-service provider to Telecom Operators in OFC, GSM/ CDMA and OSP works. Presently the company is executing telecom works in three countries; Malawi, Zambia and Kenya and planned to expand its operations into other neighbouring countries. The growth of the business is expected to go up by 60 to 70% per year and continue to achieve this growth rate in next five years and maintain profits.

As per the law prevailing in Mauritius, financial statements of M/s Telesuprecon Limited are not required to be audited. Therefore, Auditors' Report, Directors' Report and other related information of the subsidiary company are not annexed. However, consolidated financial statements with the un-audited financial statements of the subsidiary company are annexed as per Sec.212 of the Companies Act, 1956.

Sujana Transmissions Limited

Your Company incorporated Sujana Transmissions Limited at Hyderabad exclusively for the purpose of undertaking transmission business of power sector in India. The Company is participating in the tendering process of erection of transmission towers in the north eastern states of India.

The operations of the subsidiary company is yet to be commenced. Therefore, audited accounts, Directors' Report, Auditors' Report and other related information of M/s Sujana Transmissions Limited is not annexed as per Sec.212 of the Companies Act, 1956.

4. **Consolidated Financial Statements**

The Consolidated Financial Statements of the Company and its subsidiaries, prepared and presented in accordance with Accounting Standard (AS) 21, are attached to and form part of the Annual Report.

5. **Industrial Relations**

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

6. **Future Plans**

The Company is striving hard to capture the major share in the market of both telecom and transmission sector on it's own as well as through it's subsidiary companies viz., M/s. Digitech Business Systems Limited, Hong Kong, M/s. Telesuprecon Limited, Mauritius and M/s. Sujana Transmissions Limited, Hyderabad. The present trend in the market and the opportunities available in market are

analytically narrated elsewhere in this report.

7. Directors

Shri S. Hanumantha Rao, Director of the Company, is liable to retire by rotation in the ensuing Annual General Meeting of the Members of the Company and being eligible offers himself for re-appointment.

Shri R.K. Birla, Director of the Company, is liable to retire by rotation in the ensuing Annual General Meeting of the Members of the Company and being eligible offers himself for re-appointment.

During the year Shri S. Venkatachalam was appointed as additional director at the meeting of the Board of Directors of the Company held on 28th July, 2008, who holds office up to the date of this Annual General Meeting of the Company.

During the year Shri K. Raghavaiah was appointed as additional director at the meeting of the Board of Directors of the Company held on 29th December, 2008, who holds office up to the date of this Annual General Meeting of the Company.

Shri V.S.R. Murthy, Director (Finance) of the Company had resigned from the Board of Directors with effect from 20.01.2009 and the same was accepted by the Board at its Meeting held on 29.01.2009. The Board appreciated the services rendered by Shri V.S.R. Murthy during his tenure as Director (Finance).

8. 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs

of the Company at the end of the financial year and of the 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.

9. Code of conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the Company's website. Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year 2007-08. A separate declaration to this effect is made out in the Corporate Governance Report.

10. Promoter Group Companies

Pursuant to intimation from promoters, names of Promoters and companies comprising the "Group" as defined in the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969, have been disclosed on Page No.13 in the Annual Report.

11. Auditors

It is proposed to re-appoint the existing Statutory Auditors of the Company M/s R. Subramanian & Company, Chartered Accountants, Chennai for the Financial Year 2008-2009 also at a remuneration as fixed by the Board of Directors.

The Company has received letter from M/s R. Subramanian & Company, Chartered Accountants, Chennai 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.

SUJANA TOWERS LIMITED

12. Personnel

Information in accordance with Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is as below:

Name	: Shri V.S.R. Murthy (*)
Designation/ Nature of Duties	: Director (Finance)
Qualifications	: M.Sc., MBA., CAIIB
Experience	: 34 Years
Remuneration	: Rs.24,00,000
Date of appointment	: 03-09-2007
Age	: 61 Years
Particulars of last employment	: Executive Director Dhanalakshmi Bank

(*) Indicates that the employee was in service for part of the year.

13. 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.

14. Listing of Company's Securities

Your Company's shares have already been listed with the Bombay Stock Exchange Limited, Mumbai. The equity shares of your Company had been listed with National Stock Exchange of India Limited (NSE) with effect from 13th October, 2008.

15. Dematerialization of Shares

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

16. Allotment of 80,00,000 convertible warrants of Rs.5/- each at a price of Rs.165/- per warrant to the Promoters' Group

In pursuance of the special resolution passed by the members of the Company in the 1st Annual General Meeting of the Company held on 04.10.2007, to issue 80,00,000 convertible warrants of Rs.5/- each at a price determined as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines 2000, of Rs.165/- each to the Promoters' Group, the Company allotted 80,00,000 Convertible Warrants to the Promoters' Group on 23.10.2007. These warrants are compulsorily convertible into equity shares within a period of eighteen months from the date of allotment i.e., 23.10.2007.

25,00,000 convertible warrants out of 80,00,000 warrants had been converted into 25,00,000 equity shares of Rs.5/- each at a premium of Rs.160/- per share on 31.03.2008 and the same were listed with BSE and NSE on 22.07.2008 and 29.08.2008 respectively.

The proceeds of the issue have been utilized for the purpose for which they have been raised.

17. Issue and allotment of 8,00,000 Optionally Fully Convertible Debentures (OFCDs) of the Company to 'IFCI Limited', Hyderabad by way of Preferential Allotment.

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.

In pursuance of the special resolution passed by the members of the Company in the 1st

Annual General Meeting of the Company held on 04.10.2007 and the "Prior in Principle" approval received from the Bombay Stock Exchange Limited, Mumbai for issue of said OFCDs vide its letter No. DCS/PREF/ST/PRE/1838/07-08, dated 12th October, 2007, 8,00,000 OFCDs at a face value of Rs.100/- each aggregating Rs.800 lakhs had been allotted to IFCI Limited, Hyderabad on 23.10.2007.

18. Fixed Deposits

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

19. 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.

20. 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.

21. Explanations to any qualifications in Auditors' Report

The following are the adverse remarks in the Auditors' Report dated 29.12.2008 and the Company's replies

Auditors' Comment

- ix (a) However, delays have been observed in payment of Employees Provident Fund and Employee State Insurance and Tax Deducted at Source, Income Tax in certain months.

Company's Reply

The Company has already taken necessary steps to make the payments in the stipulated time.

Auditors' Comment

- ix (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax Act, Service Tax etc., were in arrears as at 30-09-2008 for a period of more than six months from the date they became payable with the exception of the following:

Income Tax for the year 2007-08
Rs.820.20 lakhs.

Company's Reply

The Company is taking necessary steps to remit the income tax during the current year 2008-09.

22. Acknowledgments

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 : 29.01.2009

Y.S. CHOWDARY
CHAIRMAN

SUJANA TOWERS LIMITED

ANNEXURE - 1

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

A. CONSERVATION OF ENERGY

- a) Energy Conservation: To achieve the savings in energy consumption, 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 new export markets for products and services and export plans: Making efforts for exports growth.
- g) Total foreign exchange earned and used: Earned: Rs.10487.82 lakhs and Used: Rs. 1986.83 lakhs

FORM A

(See Rule 2)

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

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

	2007-2008	2006-2007
1. Electricity		
Units (KWH)	4274490	2587124
Total amount (Rs.)	18949179	11721499
Rate/units (Rs.)	4.43	4.53
2. Coal		
Quantity (Tonnes)	988.337	851.83
Total Cost (Rs.)	4045366	2723462
Average Rate (Rs.)	4093.10	3197.00
3. Furnace Oil		
Quantity (Ltrs.)	3033970	1273653
Total Cost (Rs.)	76421583	25208930
Average Rate (Rs.)	25.19	19.79

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

Electricity (KWH)	69.32
Coal (Tonnes)	0.019
Furnace Oil (Ltrs.)	45.29

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 improvement, cost reduction, product development, import substitution	NIL
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished a) Technology imported b) Year of import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not been taken place, reasons there of and future plans of action.	NIL

BY ORDER OF THE BOARD

PLACE : HYDERABAD
DATE : 29.01.2009

Y.S. CHOWDARY
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

A) INTRODUCTION

Sujana Towers Limited had emerged from 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

Telecommunications constitute the core of, and provide the infrastructure for the information economy as a whole. It results in high social and private returns from telecommunication investment. Hence telecom is widely considered as strategic investment to maintain and develop competitive advantage at all levels and effectively participate in Global economy.

In line with Government of India policy for rural development, by providing tele-education, tele-medicine and e-governance, the tele density in rural is expected to cross 25% by 2012. To meet this growing demand of telephones, presently from 350 to 600 Millions by 2012, as envisaged in 11th , 5th Year plan by Ministry of communications, there is need to expand the present telecom infrastructure. During the year, the Telecom subscriber base in India registered a y-o-y growth of 46%. With a subscriber base of 301 Mn as of March 2008 and a teledensity of 26%, India is regarded as one of the fastest growing telecom markets in the world. Therefore the business in telecom sector is continuously growing. The emergence and development of the telecom tower industry in India is driven by the robust growth that is being witnessed by the Indian telecommunication sector.

SUJANA TOWERS LIMITED

The overall average penetration at 26% and the rural penetration at 8% in India still lags behind many of the developing nations. With an addition of 7-8 Mn subscribers per month, the penetration levels are rising. Simultaneously, even the Minutes of Usage (MOU) have increased. The usage of data services, mainly Short Message Service (SMS) and Multi-Media Message Service (MMS) has also witnessed an upward trend, further increasing the network usage.

Adequate Telecom Infrastructure is required to service this increasing demand in existing areas and cover newer areas from where subscriber growth is anticipated. The demand supply mismatch would drive the demand for additional towers in all the circles. From the current level of 26% the penetration levels have been projected to increase to around 50% by 2013 and from there on the growth in penetration is likely to stabilize.

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.

The African continent is also undergoing lot of reforms to take part in the Global economy by privatising the telecom and power sectors. Therefore the business also growing in this sub-continent in telecom and providing opportunity to telecom companies. Our subsidiary, Telesuprecon Limited implementing the telecom projects in Africa is expected to get sizable business in coming years.

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.

C) PERFORMANCE

The Company has achieved a turnover of Rs.74774.32 lakhs with the production of 1,04,593 MTs of re-rolled steel products, pre-fabricated and galvanized steel, consumption of bought out components of 67,777 MTs against the installed capacity of 2,47,656 MTs and earned profit after tax of Rs.4123.11 lakhs.

The Company is continuously focusing on fast and quality execution, margin improvement, cost reduction, obtaining of bank limits with competitive interest rates in addition to order book building by retaining the existing customers as well as enlarging the existing customer base by exploring new customers to maintain the upward trend in the performance of the Company.

D) RISKS & CONCERNS

Prices of major inputs such as Steel, Zinc and 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 business in Telecom sector is expected to grow across the India and Africa, due to the reforms / Government Policies. The Company is expanding its operation in these sub-continent either through JVs / Acquisition of similar business units for continuous growth in sales and profits.

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 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.

Persons constituting Group coming within the definition of 'Group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 include the following:

1. Shri Y.S. Chowdary and his relatives*
2. Shri G. Srinivasa Raju and his relatives*
3. Shri S. Hanumantha Rao and his relatives*
4. Shri R.K. Birla and his relatives*
5. Foster Infin and Trading Private Limited
6. Glade Steel Private Limited
7. Sujana Capital Services Limited
8. Sujana Energy Private Limited
9. Sujana Finance and Trading Private Limited
10. Sujana Holdings Limited, India
11. Sujana Metal Products Limited
12. Sujana Projects Limited
13. Sujana Pumps and Motors Private Limited
14. Sujana Transmissions Limited
15. Sujana Universal Industries Limited
16. Yalamanchili Finance and Trading Private Limited
17. YS Consultancy Services Private Limited
18. Alpha Ventures Limited, Cayman Islands
19. Asian Tide Enterprises Limited, Hong Kong
20. Digitech Business Systems Limited, Hong Kong
21. Empire Gulf FZE, UAE
22. Gamma Machinery & Equipment Pte. Limited, Singapore
23. Nuance Holdings Limited, Hong Kong
24. Pac Ventures Pte. Limited, Singapore
25. Sujana Holdings Limited, UAE
26. Sun Trading Limited, Cayman Islands
27. Telesuprecon Limited, Mauritius

* As per the Companies Act, 1956

During the year 2006-07, there was merger of M/s Sujana Steels Limited with M/s Sujana Metal Products Limited. M/s GB Trading and Investments Private Limited, Lumbini Electricals Private Limited, Golkonda Finance and Trading Private Limited and Prime Infoinvest Limited were Non Promoter shareholders in M/s Sujana Steels Limited and during the process of merger with M/s Sujana Metal Products Limited, these Companies were treated as Promotes' Group by Bombay Stock Exchange Limited. However, these companies represented to delete their names from the Promoters group of Sujana Group of Companies.

The above statement has been published to avail the exemption under regulation 3(1)(e)(i) of securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time.

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 Nine (9) members, out of which one (1) is Managing Director and one (1) is Promoter and Non-Executive Chairman and five (5) 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 at the last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are given below:

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

The necessary quorum was present at the meetings.

Change in Composition of Board of Directors since the date of last AGM held on 04.10.2007

*Shri V.S.R. Murthy, Director (Finance) of the Company had resigned from the Board of Directors with effect from 20.01.2009 and the same was approved by the Board at its Meeting held on 29.01.2009.

**Shri. S. Venkatachalam was appointed as Additional Director with effect from 28-07-2008 on the Board of the Company.

***Shri. K. Raghavaiah was appointed as Additional Director with effect from 29-12-2008 on the Board of the Company.

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	4	9	2	6
2	Shri G. Srinivasa Raju	–	7	3	6
3	Shri R.K. Birla	–	2	–	–
4	Shri S. Hanumantha Rao	–	5	1	5
5	Shri V.S.R.Murthy	–	–	–	–
6	Shri K.S.Purohit	–	2	1	2
7	Shri A.S.Anand Kumar	–	3	–	–
8	Shri M.V.Bhaskara Rao	–	–	–	–
9	Sri S. Venkatachalam	–	2	–	–
10	Sri K. Raghavaiah	–	–	–	–

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 on the same day of the formal Board Meeting or as and when required.

Ten Board Meetings were held during the period from 1st July, 2007 to 30th September, 2008 (15 months) and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

27th July, 2007, 16th August, 2007, 3rd September, 2007, 23rd October, 2007, 30th October, 2007, 31st December, 2007, 28th January, 2008, 23rd February, 2008, 28th April, 2008 and 28th July, 2008.

Board Meetings are usually held at the Corporate 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.

SUJANA TOWERS LIMITED

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:

- a) Reviewing the adequacy of Internal Control Systems and the Internal Audit Reports and their compliance thereof;
- b) Overseeing of the Company's financial reporting process and the disclosure of its financial information;
- 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 and 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 atleast 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 comprises of three (3) independent and Non-Executive Directors and one (1) non-executive director.

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

The necessary quorum was present at the meetings.

Change in Composition of Audit Committee since the date of last AGM held on 04.10.2007

There is no change in the Composition of Audit Committee since the date of last AGM held on 04.10.2007.

Five meetings of the Audit Committee were held during the period from 1st July, 2007 to 30th September, 2008 (15 months). The dates on which the Audit Committee Meetings were held were as follows:

3rd September, 2007, 30th October, 2007, 28th January, 2008, 28th April, 2008 and 28th July, 2008.

IV. Remuneration Committee

1. Scope of the Remuneration Committee

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

A. Composition and other details of the Remuneration Committee

The Remuneration Committee of your Company comprises of three (3) members, all of them are Non-Executive Directors, the Chairman of the Committee being an Independent Director.

The existing Committee comprises of

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

One Remuneration Committee Meeting was held on 03.09.2007 during the financial year 2007 - 2008.

B. 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.
Shri V.S.R. Murthy	24,00,000	Nil	Nil	Nil	24,00,000

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 Committee 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.

Sitting Fee details

Sl. No	Name of the Director	Sitting fee paid During the year 2007-2008
1	Shri K.S. Purohit	Rs.4500
2	Shri M.V. Bhaskara Rao	Rs.5000

Sitting fee will be paid at a rate of Rs.500/- for attending each Meeting.

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.

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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.

Sl. No.	Name of the Director	Designation
1	Shri S. Hanumantha Rao	Member & Chairman
2	Shri G. Srinivasa Raju	Member
3	Shri R.K. Birla	Member

No Shareholders' Grievance Committee Meeting was held during the financial year 2007-2008 and all the grievances received by the Company from the members of the Company has been resolved by the Share Transfer Committee.

The existing Committee comprises of

3. Name and Designation of the Compliance Officer

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

4. No. of Shareholders Complaints received so far during the year - 90 (ninety) and all the Complaints were resolved

Nature of queries/complaints	Received	Resolved	Un resolved
Non-receipt of new certificates	28	28	--
Loss of share certificates	24	24	--
No.of requests for change of address	20	20	--
Miscellaneous	18	18	--

5. No. of Pending Transfers

There are no share transfers pending more than fortnight 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 period under review the Share Transfer Committee met 24 (Twenty Four) times.

VII. Management Committee

The Management Committee comprises of Shri Y.S.Chowdary, Shri G.Srinivasa Raju, Shri S. Hanumantha Rao and Shri R.K. Birla. The role, terms of reference and the authority and powers of the Management Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the Management Committee met 4 (Four) times.

VIII. Annual General Meetings (AGMs)

The First Annual General Meeting of the Company was held on 4th October, 2007 at 11.30 A.M. at Naina Gardens, Kukatpally, Hyderabad - 500 072.

Details of Special Resolutions passed in the last Annual General Meeting

Sl.No	AGM for the year	Details of Special Resolution passed
1	2006-2007	<p>Re-appointment of Shri G.Srinivasa Raju as Managing Director of the Company for a period of 5 years w.e.f. 28.04.2007.</p> <p>Appointment of Sri V.S.R. Murthy as Director (Finance) of the Company for a period of 5 years w.e.f. 03.09.2007.</p> <p>Increase of authorized share capital from Rs.26,05,00,000 to Rs.50,00,00,000 under section 94 of the Companies Act, 1956.</p> <p>To create, issue, offer equity shares and/or convertible debentures 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 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 etc., under section 81(1A) of the Companies Act, 1956.</p> <p>To issue and allot the Optionally Fully Convertible Debentures (OFCDs) worth of Rs.800 lakhs to IFCI Limited, Hyderabad under section 81(1A) of the Companies Act, 1956.</p> <p>To issue Foreign Currency Convertible Bonds (OFCBs) and/or GDRs and/or ADRs for an aggregate sum upto USD 60 million or equivalent in Indian and/or any other currency(ies) under section 81(1A) of the Companies Act, 1956.</p>

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

(A) The following resolutions were passed by the members of the Company through postal ballot on 25th March, 2008. The details are as follows:

Sl. No.	Details of Resolution passed through postal ballot	Details of voting pattern	Person who conducted the postal ballot exercise
1	Further issue of equity shares of the Company to an extent of USD 75.00 million by way of Foreign Currency Convertible Bonds (FCCBs), Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) convertible into equity shares, etc.	<p>No.of votes cast in favour of the resolution - 58,67,380.</p> <p>No.of votes cast against the resolution - 1875</p>	Shri Y.Ravi Prasada Reddy, Practicing Company Secretary, ACS No.14580, CP No. 5360.

Details of special resolutions which are proposed to be passed through postal ballot - are as follows:

No special resolution is proposed to be passed through postal ballot.

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 17 to the Annual Accounts for the period ended 30.09.2008.

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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.

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 re-appointment at the ensuing AGM

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

Shri S. Hanumantha Rao has been on the Board of Directors since 6th April, 2006.

Mr. S.Hanumantha Rao is a Promoter-Director of Sujana Towers Limited. He is 57 years old and has done B.Tech and he is a member of Institute of Cost and Works Accountants of India. He worked 20 years in State Bank of India and 3 years as Financial and Management Consultant. He is associated with Sujana Group from the last 12 years.

Brief profile of Shri R.K. Birla, Director, who retires by rotation and is eligible for re-election

Shri R.K. Birla has been on the Board of Directors since 6th April, 2006.

Mr. R.K.Birla is a Promoter Director of Sujana Towers Limited. He is 55 years old and did his Bachelor Degree Course in arts and Master of Business Administration (MBA) from BITS Pilani. He has worked with Poddar Products Limited as Chief Executive for 8 years and later in the year 1992 he joined the group as Director.

Brief profile of Shri S. Venkatachalam, Director.

Shri S. Venkatachalam has been on the Board of Directors since 28th July, 2008.

Shri S.Venkatachalam is having Bachelors Degree in Engineering from M.S. University of Baroda, Masters Degree in Industrial Engineering and Management, University of Loughborough England and Diploma in Marketing from Institute of Marketing, London. He is Fellow Member of Institute of Marketing and Member of the British Institute of Management, England. He is having 41 years of experience with leading business houses viz., (1) M.N. Dastur & Co., Richardson Cruddas Ltd., (2) Rendell Palmer & Tritton, then with Cleveland Bridge, England, (3) Lloyd Steel Industries Limited and (4) Essar Group and having Memberships/Directorships in different organizations. Thus, his presence on the Board will be highly beneficial to the Company.

Brief profile of Shri K. Raghavaiah, Director.

Shri K. Raghavaiah has been on the Board of Directors since 29th December, 2008.

Shri K. Raghavaiah is having a degree of BE (Hons) Mech. Engineering from the Govt. College of Engineering, Kakinada and is a Fellow Member of Institute of Engineers. Shri K. Raghavaiah is having more than 40 years of experience with various leading organizations. He worked with Bharat Heavy Electricals Limited (BHEL) for more than 20 years and left the organization in the capacity of DGM and he also worked with Bharat Heavy Plate & Vessels Limited (BHPVL) for 13 years and left the organization in the capacity of Managing Director to form his own Consultancy Company. Thus, his presence on the Board will be highly beneficial to the Company.

5. CEO and 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 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 - Surya 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 Shareholders through Post.

X Code of Conduct for the prevention of insider trading

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duly Amended), the Board has approved the and authorized the committee to monitor the various requirements as set out in the code. The Board Members and senior management personnel have affirmed compliance with the code for the financial year 2007-08.

XI. General Shareholders Information

1. Details pertaining to 2nd AGM

1.	Date	27.02.2009
2.	Time	4.00 P.M.
3.	Venue	Hotel Sitara Residency, Ameerpet, Hyderabad - 500 038.
4.	Financial Year	2007-2008 (consisting of 15 months from 01.07.2007 to 30.09.2008)
5.	Book Closure Date	26.02.2009 (one day only)
6.	Dividend Payment Date	Not Applicable

2. Details pursuant to Listing of Securities

a. Listing of Securities

The Company's shares are presently listed at the Bombay Stock Exchange Limited. The Company's shares are also listed at National Stock Exchange of India Limited w.e.f. 13-10-2008.

b. Stock Code

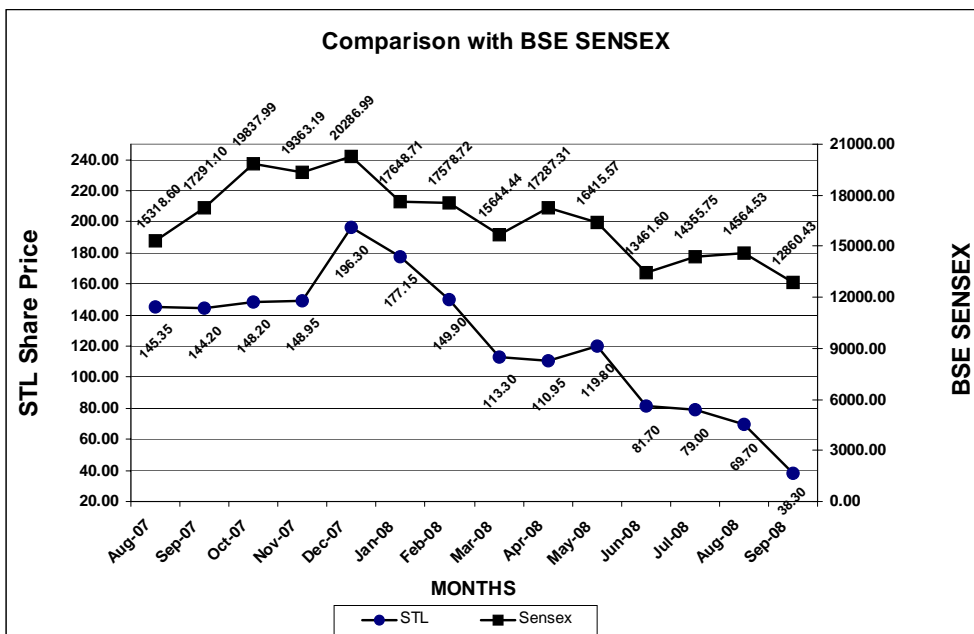
BSE Scrip Code : **532887**
 NSE Scrip Code : **SUJANATOW**
 Demat ISIN in NSDL and CDSL for equity shares : **NE333I01010**

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3. Market Price Data-

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

Month	Open	High	Low	Close	BSE SENSEX (Closing)
Aug-07	122.20	155.00	122.20	145.35	15318.60
Sep-07	150.00	176.00	137.05	144.20	17291.10
Oct-07	147.95	163.05	130.00	148.20	19837.99
Nov-07	150.00	155.90	134.00	148.95	19363.19
Dec-07	149.80	209.50	148.00	196.30	20286.99
Jan-08	199.95	235.00	131.25	177.15	17648.71
Feb-08	178.95	194.00	146.20	149.90	17578.72
Mar-08	146.40	150.00	84.05	113.30	15644.44
April-08	114.80	132.70	104.00	110.95	17287.31
May-08	112.70	129.40	108.20	119.80	16415.57
June-08	117.25	118.00	73.25	81.70	13461.6
Jul-08	80.85	87.50	68.05	79.00	14355.75
Aug-08	77.00	87.40	68.50	69.70	14564.53
Sep-08	69.50	71.00	37.00	38.30	12860.43



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

92.11% of the Company's Paid-up capital has been dematerialized upto 30.09.2008 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	2,91,56,936	70.37
CDSL	90,05,892	21.74
Physical	32,70,207	7.89
Total	4,14,33,035	100.00

6. Distribution of Shareholding

As on 30th September, 2008, the Distribution Shareholding was as follows:

Sl. No.	Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
1.	Upto - 5,000	47,64,391	11.50	17,208	98.62
2.	5,001 - 10,000	6,99,532	1.69	93	0.53
3.	10,001 - 20,000	9,16,232	2.21	60	0.34
4.	20,001 - 30,000	4,82,566	1.16	19	0.11
5.	30,001 - 40,000	1,47,934	0.36	4	0.02
6.	40,001 - 50,000	4,38,330	1.06	9	0.05
7.	50,001-1,00,000	10,73,171	2.59	14	0.08
8.	1,00,001 and above	3,29,10,879	79.43	44	0.25
Total		4,14,33,035	100.00	17,451	100.00

Shareholding pattern as on 30th September, 2008:

Sl. No.	Category	No. of Holders	No. of Shares	% to Equity
1.	Promoters and Promoters Group	16	1,46,69,333	35.40
2.	Bodies Corporate	554	55,26,408	13.34
3.	Public-Individuals	15,746	68,30,556	16.49
4.	FII's	11	96,84,798	23.37
5.	Institutional Investors	10	47,21,940	11.40
	Total	16,337	4,14,33,035	100.00

SUJANA TOWERS LIMITED

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.158 B & C, SURVEY NO.172/A, I.D.A.BOLLARAM
JINNARAM MANDAL, MEDAK DIST, A.P.
- (v) KHANAPUR PROJECT
SY. NO. 321,
TURKALA KHANAPUR VILLAGE
HATNUR 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



CEO & CFO CERTIFICATION

We, G. Srinivasa Raju, Managing Director & Chief Executive Officer and Shri Ch.Narayan 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 period 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 period;
 - ii) Significant changes in accounting policies during the period 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
Place: Hyderabad
Date: 29.01.2009

Ch. Narayana Rao
Chief Financial Officer

Auditor's Certificate on Corporate Governance

To

The Members of Sujana Towers Limited,

We have examined the compliance conditions of Corporate Governance by Sujana Towers Ltd., Hyderabad for the period ended 30th September 2008, 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. Our 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 our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

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

For R. SUBRAMANNIAN & COMPANY
CHARTERED ACCOUNTANTS

V. NALINI
Partner
Membership No. 208352

Place: Chennai
Dated: 29.01.2009

**AUDITORS' REPORT
TO THE MEMBERS OF SUJANA TOWERS LIMITED**

1. We have audited the attached Balance Sheet of M/s Sujana Towers Limited as at 30th September 2008 and also the Profit and Loss Account and Cash flow Statement for the period of 15 months ended on that date annexed thereof. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issue by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the company.
4. Future to our comments in the annexure referred to above we, report that:
 - a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of such books.
 - c. The Balance Sheet, Profit and Loss account and the cash flow statement referred to in this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet 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 to the extent such standards have been made applicable by the Institute of Chartered Accountants of India.
 - e. On the basis of written representations received from the directors, as on 30th September 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September 2008 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached thereto give the information required by the Companies Act 1956, in the manner so required and 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 30th September 2008.
- ii. In so far it relates to the Profit and Loss account of the Profit for the 15 months period ended on that date and
- iii. In so far it relates to the Cash flow statement of the Cash flows for the 15 Months period ended on that date.

For R. SUBRAMANNIAN & COMPANY
CHARTERED ACCOUNTANTS

V. NALINI

Partner

Membership No. 208352

Place: Chennai

Dated: 29.12.2008

SUJANA TOWERS LIMITED

ANNEXURE REFERRED TO IN PARAGARAPH THREE OF OUR REPORT OF EVEN DATE

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
(b) The assets have been 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.
(c) The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
(b) The procedures of Physical verification of inventory followed by the management are reasonable. Considering the size of the company and the nature of its business.
(c) Proper records of inventory have been maintained by the company and material discrepancies on Physical verification have been properly dealt with in the books of the company.
- iii. (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) During the period under review, the company has granted interest free loan to one of the subsidiary companies. No terms have been stipulated. The balance amount due as to 30.09.2008 and the maximum amount outstanding during the period aggregate to Rs.469.40 lakhs.
- iv. 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.
- v. (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.
- vi. The company has not accepted any fixed deposits from the public during the year requiring compliance of provisions of Section 58 A and 58 AA or any other relevant provisions of the Companies Act 1956.
- vii. The Company has an internal audit system, which in our opinion, commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company pursuant to section 209(1)(d) of the Companies Act 1956, for maintenance of cost records and based on review, we are of the opinion that prima facie the prescribed accounts and records are maintained.
- ix. (a) According to the information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Employees Provident fund, income tax, sales tax, wealth tax, service tax customs duty excise duty, Cess and any other statutory dues with the

SUJANA TOWERS LIMITED

appropriate authorities during the year. However delays have been observed in payment of Employees Provident fund and Employee state insurance and tax deducted at source, Income tax in certain months.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax etc. were in arrears as at 30.09.2008 for a period of more than six months from the date they became payable with the exception of the following:-

Income tax for the year 2007-08 Rs.820.20 lakhs

- (c) As per the information and explanations made available to us there are no disputed Sales Tax / Income Tax / Customs Duty / Wealth Tax / Excise Duty / Cess.

- x. The Company does not have accumulated losses as at 30.09.2008 and has not incurred cash losses during the current period and also in the immediately preceding period covered by audit.
- xi. As per the information and explanations made available to us, the company has not defaulted in repayment of dues to Debenture holders, financial institution or bank.
- xii. The company has not granted any loan or advance on the basis of Security by way of pledge of shares, Debentures and other securities.
- xiii. The provisions of Special Statue relating to Chit fund/Nidhi are not applicable to this company.
- xiv. The Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the company has given guarantee to lenders of its associate companies M/s Sujana Holdings Limited Dubai and M/s Alpha Ventures Limited to the extent of Rs.938.80 Lakhs, in respect of loans taken by them from Banks or Financial Institutions. As per the information and explanations made available to us, the terms and conditions where of are not prejudicial to the interest of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanation given to us, Term loan availed by the company during the current year have been applied for the purpose for which the loans were obtained.
- xvii. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used for Long term Investment.
- xviii. During the year the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The Prices at which these shares have been issued are not prejudicial to the interest of the Company.
- xix. No debentures have been issued by the Company during the year, other than Term Loans availed by the Company from IFCI during earlier years which were converted into Optionally Fully Convertible Debentures during the period covered by audit.
- xx. The Company has not raised any money by way of Public Issue during the year.
- xxi. To the best of our knowledge and according to information and explanations given to us, no fraud on or by the company was noticed or reported during the financial year that causes the financial statements to be materially misstated.

For R. SUBRAMANNIAN & COMPANY
CHARTERED ACCOUNTANTS

V. NALINI

Partner

Membership No. 208352

Place: Chennai

Dated: 29.12.2008

**BALANCE SHEET AS AT 30.09.2008***(Amount in Rupees)*

	SCH REF	AS AT 30.09.2008	AS AT 30.06.2007
SOURCES OF FUNDS			
1. Shareholders Funds			
A) Equity Share Capital	1	207,165,175	194,665,175
B) Preference Share Capital		29,679,500	37,179,500
C) Compulsorily Convertible Warrants		135,300,000	—
D) Reserves And Surplus	2	2,280,748,536	1,469,154,176
2. Loan Funds			
Secured Loans	3	1,767,072,555	410,450,632
Unsecured Loans	4	30,467,152	30,467,152
3. Deferred Tax Liability			
		498,039,569	230,930,954
Total		4,948,472,487	2,372,847,589
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	2,643,404,097	1,662,716,167
Less: Depreciation		462,823,474	324,340,362
Net Block		2,180,580,623	1,338,375,805
Capital Work In Progress		162,759,407	159,865,638
		2,343,340,030	1,498,241,443
2. INVESTMENTS			
	6	716,479	—
3. Current Assets, Loans and Advances			
i) Inventories	7	646,443,545	424,917,743
ii) Sundry Debtors	8	1,158,070,853	808,595,636
iii) Cash And Bank Balances	9	152,345,139	3,454,807
iv) Loans And Advances	10	966,412,564	149,598,348
		2,923,272,101	1,386,566,534
Less: Current Liabilities and Provisions	11	318,856,123	511,960,388
Net Current Assets		2,604,415,978	874,606,146
Total		4,948,472,487	2,372,847,589
Significant Accounting Policies and Notes On Accounts	17		

As Per our Report of Even Date

For and on behalf of the Board

R.Subramanian and Company
Chartered Accounts**G. Srinivasa Raju**
Managing Director**S. Hanumantha Rao**
Director**V. NALINI**
Partner
Membership No. 208352**L.Narasimha Rao**
Company SecretaryPlace : Chennai
Date : 29.12.2008Place : Hyderabad
Date : 29.12.2008

SUJANA TOWERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30.09.2008

(Amount in Rupees)

	SCH REF	FOR THE PERIOD ENDED 30.09.2008	FOR THE YEAR ENDED 30.06.2007
INCOME			
Sales (Gross)		7,908,218,558	4,553,622,316
Less: Duties and Taxes		(430,786,599)	(159,097,270)
Net Sales		7,477,431,959	4,394,525,046
Other Income	12	48,229,063	2,912,635
Increase/(Decrease) in Stock	13	281,746,211	93,916,851
Total (A)		7,807,407,233	4,491,354,532
EXPENDITURE			
Materials Consumed	14	6,146,900,985	3,704,618,197
Manufacturing, Selling and Administration Expenses	15	517,695,129	152,389,166
Financial Charges	16	218,198,580	51,121,462
Depreciation	5	141,647,675	67,452,012
Total (B)		7,024,442,369	3,975,580,837
PROFIT BEFORE TAXATION		782,964,863	515,773,695
Provision For			
i) Current Tax		115,269,840	56,014,252
ii) Current Year Deferred Tax		205,572,304	64,913,839
iii) Fringe Benefit Tax		814,056	1,536,214
NET PROFIT AFTER TAXATION		461,308,664	393,309,390
Prior Period Adjustments			
i) Previous Year Income (expenditure)		12,539,432	—
ii) Previous Year Tax		—	—
iii) Previous Year Deferred Tax		61,536,311	—
Profit Brought Forward From Previous Period		392,937,595	—
Dividend on CRPS (including Dividend Distribution Tax Thereon)		717,425	371,795
PROFIT CARRIED TO BALANCE SHEET		804,531,955	392,937,595
Earnings Per Share			
Basic		10.31	10.10
Diluted		10.08	10.10
Significant Accounting Policies & Notes on Accounts	17		

As Per our Report of Even Date

R.Subramanian and Company
Chartered Accounts

V. NALINI

Partner

Membership No. 208352

Place : Chennai

Date : 29.12.2008

For and on behalf of the Board

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

L.Narasimha Rao

Company Secretary

Place : Hyderabad

Date : 29.12.2008



SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2008	AS AT 30.06.2007
SCHEDULE NO : 1		
Share Capital		
<i>Authorised Share Capital 8,80,00,000 (Previous year 4,01,00,000)</i>		
Equity Shares Of Rs.5/- Each	440,000,000	200,500,000
6,00,000 (Previous year 6,00,000) Cumulative Redeemable Preference Shares of Rs 100/-each	60,000,000	60,000,000
Total	500,000,000	260,500,000
<i>Issued, Subscribed and Paid Up Capital</i>		
41433035 (Previous year 3,89,33,035) Equity Shares of Rs.5/- each	207,165,175	194,665,175
296795 (Previous year 2,96,795) 1% Cumulative Redeemable Preference Shares (CRPS) of Rs.100/- each	29,679,500	29,679,500
Nil (Previous year 75000) 14% Cumulative Redeemable Preference Shares of Rs.100/- each	—	7,500,000
Refer Note II (1) and II (2) of Schedule 17	29,679,500	37,179,500
SCHEDULE NO : 2		
Reserves and Surplus		
Capital Reserve	1,076,216,581	1,076,216,581
Share Premium on Conversion of Compulsorily Convertible Warrants	400,000,000	—
Profit and Loss Account	804,531,955	392,937,595
Total	2,280,748,536	1,469,154,176
SCHEDULE NO : 3		
Secured Loans [Refer Note II(3) and II(4) Of Schedule 17]		
A. Optionally Convertible Debentures	80,000,000	80,000,000
B. Term Loans From Banks	218,366,968	302,567,040
C. Term Loans From Financial Institutions	250,000,000	27,883,592
D. Working Capital Loans From Banks	950,467,522	—
E. Bills Discounting Facility From Financial Institutions	249,920,919	—
F. Hire Purchase Loans From Banks	8,928,782	—
G. Interest Accrued and due on Secured Loans	9,388,364	—
Total	1,767,072,555	410,450,632
SCHEDULE NO :4		
Unsecured Loans [Refer Note II (5) of Schedule 17]		
Deferred Sales Tax Liability	30,467,152	30,467,152
Total	30,467,152	30,467,152

SCHEDULE NO : 5
Fixed Assets as at 30.09.2008

(Amount in Rupees)

Description	Cost				Depreciation				Net Block	
	Balance as on 01.07.2007	Additions during the period	Deletions during the period	Balance as on 30.09.08	Upto 30.06.07	For the period	Depreciation withdrawn	Total as on 30.09.08	Balance as on 30.09.08	Balance as on 30.06.07
Land	723811	—	—	723811	—	—	—	—	723811	723811
Buildings	49769650	—	—	49769650	3190360	2077883	—	5268243	44501407	46579290
Plant and Machinery	1574681135	980513865	8110525	2547084476	311243954	136794415	2134231	445904138	2101180338	1263437181
Workshop Equipment	723410	—	—	723410	132593	42952	—	175545	547865	590817
Weighing Machine	1133871	—	—	1133871	327859	67324	—	395183	738688	806012
Electrical Instillation	11445930	999162	—	12445092	1458725	716123	—	2174848	10270244	9987205
Furniture and Fixtures	282871	2366385	—	2649256	55509	127169	—	182678	2466578	227362
Office Equipment	1081461	776778	—	1858240	304600	173315	—	477915	1380325	776861
Vehicles	4536133	13838441	—	18374574	4305264	737186	—	5042450	13332124	230869
Computers	18337895	4509216	14205394	8641718	3321498	911309	1030333	3202474	5439244	15016397
Total	1662716167	1003003848	22315919	2643404097	324340362	141647675	3164564	462823474	2180580623	1338375805
Previous Year	1077527029	585189138	—	1662716167	256888350	67452012	—	324340362	1338375805	820638679
Capital Work in Progress	159865638	2893769	—	162759407	—	—	—	—	162759407	159865638

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2008	AS AT 30.06.2007
SCHEDULE NO : 6		
Investments		
(A) Long Term, Unquoted, Non Trade Valued at Cost		
(I) Investment In Subsidiaries		
5001(Previous year Nil) Equity Shares of USD 1 each Fully Paid-up in Digitech Business Systems Limited	200,478	—
510 (Previous year Nil) Equity Shares of USD 1 each Fully Paid-up in Telesuprecon Ltd	22,001	—
49400 (Previous year Nil) Equity Shares of Rs.10/- each Fully Paid-up in Sujana Transmissions Limited	494,000	—
Total	716,479	—
SCHEDULE NO : 7		
Inventories		
(As taken, valued and Certified by the Management)		
Raw Material	43,477,973	3,239,373
Stock In Process	464,030,555	157,108,860
Finished Goods	109,768,890	134,944,374
Stores, Spares and Consumables	29,166,127	129,625,136
Total	646,443,545	424,917,743
SCHEDULE NO : 8		
Sundry Debtors		
(Unsecured and Considered Good)		
Debts Outstanding for a Period Exceeding Six Months	68,051,463	36,412,543
Other Debts	1,090,019,390	772,183,093
Total	1,158,070,853	808,595,636
SCHEDULE NO : 9		
Cash and Bank Balances		
1. Cash on Hand	1,211,271	1,929,331
2. Bank Balances with Scheduled Banks:		
A. Current Account	5,954,728	70,976
B. Margin Money Account	145,179,140	1,454,500
Total	152,345,139	3,454,807
SCHEDULE NO : 10		
Loans and Advances (Unsecured and Considered Good)		
1. Advances to Suppliers	440,529,886	116,581,987
2. Deposits with Excise and other Government Authorities	88,190,650	5,409,620
3. Advances for Business Acquisition	361,410,000	—
4. Loans to Subsidiary Company	46,940,000	—
5. Advances Recoverable in Cash or in kind or value to be received	29,342,028	27,606,741
Total	966,412,564	149,598,348

SUJANA TOWERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2008	AS AT 30.06.2007
SCHEDULE NO : 11		
Current Liabilities and Provisions		
A) Current Liabilities		
1. Sundry Creditors	135,791,109	299,528,226
2. Advances from Customers	27,316,738	143,261,246
3. Other Liabilities	23,564,085	11,248,655
Sub - Total (A)	186,671,932	454,038,127
B) Provisions		
1. Provision for Dividends on CRPS (Including Dividend Distribution Tax)	654,375	371,795
2. Provision for Income-tax	126,902,942	56,014,252
3. Provision for Fringe Benefit Tax	814,056	1,536,214
4. Provision for Gratuity	3,077,640	—
5. Provision for Leave Encashment	735,178	—
Sub - Total (B)	132,184,191	57,922,261
Total (A+B)	318,856,123	511,960,388
SCHEDULE NO : 12		
Other income		
1. Interest earned	14,195,842	2,253,427
2. Miscellaneous income (Includes Rs.3,17,70,000 on Account of assignment of Contracts to third Parties and profit on Sale of fixed assets of Rs.119634/-)	34,033,221	659,208
Total	48,229,063	2,912,635
SCHEDULE NO : 13		
Increase/(Decrease) in stock		
Opening stock		
Stock in process	157,108,860	194,599,366
Finished goods	134,944,374	3,537,017
Total (A)	292,053,234	198,136,383
Closing stock		
Stock in process	464,030,555	157,108,860
Finished goods	109,768,890	134,944,374
Total (B)	573,799,445	292,053,234
Increase/(Decrease) in stock (B-A)	281,746,211	93,916,851
SCHEDULE NO : 14		
Materials Consumed		
Opening Stock of Materials	3,239,373	13,327,785
Add: Purchase of Materials	6,187,139,585	3,694,529,785
	6,190,378,958	3,707,857,570
Less: Closing stock	43,477,973	3,239,373
Materials consumed	6,146,900,985	3,704,618,197



SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	FOR THE PERIOD ENDED 30.09.2008	FOR THE YEAR ENDED 30.06.2007
SCHEDULE NO : 15		
Manufacturing, Selling and Administration expenditure		
Manufacturing expenses	113,410,515	24,483,700
Power charges / Electricity charges	94,402,109	39,653,891
Factory maintenance	3,368,984	3,708,010
Advertisement expenses and sales promotion	860,708	1,205,263
Audit fees	600,000	112,360
Bad debts written off	7,430	—
Travelling and conveyance	3,373,120	5,774,315
Travelling expenses - directors	841,367	1,091,068
Donations	130,000	—
Rent, rates and taxes	4,513,163	932,553
Insurance others	1,276,953	222,236
Misc. expenses	2,218,038	4,334,686
Postage, telegrams and telephones	1,561,088	1,221,789
Printing and stationery	1,641,091	436,503
Professional and consultancy	10,847,738	1,387,549
Security charges	3,099,300	1,531,191
Seminars	2,252,952	—
Staff welfare	2,252,223	1,694,467
Repairs and maintenance		
- Buildings	460,387	663,967
- Plant and machinery	1,904,397	1,742,233
- Others	2,504,171	107,216
Consumption of consumables	190,447,416	46,303,392
Salaries and wages	51,579,819	15,102,414
Employer contribution to E.S.I and PF	2,453,145	680,363
Foreign exchange loss	19,102,350	—
Directors remuneration	2,586,667	—
Total	517,695,129	152,389,166
SCHEDULE NO : 16		
Financial charges		
Interest on working capital and financial charges	145,913,912	5,999,408
Interest on term loans	57,888,783	44,606,865
Interest on others	14,395,884	515,189
Total	218,198,580	51,121,462

SUJANA TOWERS LIMITED

Schedule No.17 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE PERIOD ENDED 30TH SEPTEMBER 2008

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

Financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the generally accepted accounting principles in India.

2. Use of estimates

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

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

3. Fixed assets

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

4. Intangible assets

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

5. Depreciation and amortization

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

6. Revenue Recognition

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

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

Interest revenue on Fixed Deposits are recognized on accrual basis.

7. Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined

on weighted average basis. Work in process includes material cost and applicable direct overheads. Finished goods are valued at the aggregate of material cost and applicable direct and indirect overheads or market value whichever is lower. Excise duty in respect of finished goods lying within the factory is included in valuation of inventories.

8. Investments

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

9. Leases

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

10. Employee benefits

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

11. Provisions, contingent liabilities and contingent assets

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

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

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

12. Foreign currency transactions

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

Investments in the equity capital of companies registered outside India are carried in the balance sheet at the rates prevailing on the date of transaction.

13. Borrowing cost

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

14. 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. 11 of Schedule 17 Notes on Accounts.

15. Taxation

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

SUJANA TOWERS LIMITED

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

16. Impairment of assets

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

17. Segment reporting

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

18. Earnings per share

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

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

19. Cash flow statement

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

20. Consolidated Financial Statements

Consolidated Financial Statements of the company presented as per Accounting Standard 21 issued by ICAI.

21. Interim Financial Reporting

Quarterly financial results are published in accordance with the requirement of listing agreement with stock exchanges. The recognition and measurement principle as laid down in the standard have been followed in the preparation of these results.

II. OTHER NOTES

1. Share capital

Share capital includes 3,89,33,035 (Previous year 3,89,33,035) equity share of Rs. 5/- each fully paid up issued pursuant to the scheme of arrangement and amalgamation without payment being received in cash.

The share capital includes 25,00,000 (Previous year NIL) equity shares of Rs.5/- each fully paid up issued on a preferential basis to the Promoters Group during the period at a premium of Rs.160/- per share.

1% Cumulative Redeemable Preference Shares (CRPS) are redeemable in 12 quarterly Instalments commencing from 1st October, 2013

2. Equity share warrants

In terms of the approval of the shareholders of the Company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on 23rd October 2007 has issued and allotted 80,00,000 warrants on preferential basis to entities in the Promoter Group entitling them to apply for equivalent number of fully paid up equity shares of Rs. 5/- each of the Company, at a price of Rs. 165/- per equity share on the following terms and conditions

- An amount equivalent to 10% of the exercise price arising out of the share warrants shall be payable on or before the date of allotment of share warrants which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the equity shares payable by the share warrant holder at the time of exercising the option.
- The warrants shall be compulsorily convertible into equity shares of the Company on or before 18 months from the date of allotment of the share warrants.
- The warrants proposed to be allotted shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI guidelines.
- The holder of the warrants have to pay the balance amount of 90% of the Issue price for conversion of the share warrants into equity shares of the Company on or before expiry of 18 Months from the date of allotment of the warrants.
- If the option of conversion is not exercised by the allottee of warrants on or before 18 months from the date of allotment, the total amount paid by such allottee will be forfeited.

Out of the 80,00,000 convertible warrants issued, warrants equivalent to 25,00,000 equity shares were converted on 31.03.2008, and the balance 55,00,000 warrants is reflected under equity share warrants in the balance sheet pending exercise thereof.

3. Optionally Fully Convertible Debentures (OFCDs)

Pursuant to the Scheme of arrangement and amalgamation an amount of Rs.800 lakhs due by the Company to IFCI has been discharged by way of allotment of Optionally Fully Convertible Debentures (OFCD) to IFCI Limited during the year, and the debentures are redeemable in 18 months from the date of allotment and carrying a coupon rate of 13%. As per the terms of the allotment the OFCDs if not redeemed are liable to be converted into Equity shares. OFCDs and the interest thereon is secured by first charge on the entire assets of the Company both present and future ranking paripasu with the charges already created in favour of the existing term lenders and subject to prior charges created for working capital borrowings and further secured by the Guarantee of Sri. Y.S. Chowdary Chairman of the Company.

4. Secured loans

- 4.1 Term Loans from IDBI Bank of Rs. 900.34 lakhs and the interest thereon is secured by first charge on the entire assets of the Company both present and future ranking paripasu with the charges already created in favour of existing term lenders and subject to prior charges created for working capital borrowings and further secured by the Guarantees of Sri. Y.S. Chowdary, Chairman, Sri G.Srinivasa Raju, Managing Director of the Company and Sri. S.T.Prasad, relative of the Chairman.

SUJANA TOWERS LIMITED

- 4.2 Term Loan from Karnataka Bank of Rs.1283.33 lakhs and the interest thereon is secured by an exclusive charge on the equipment purchased out of the loan availed, pari pasu first charge on the residual value of fixed assets of the Company and personal guarantees of Sri. Y.S. Chowdary, Chairman and Sri G.Srinivasa Raju, Managing Director.
- 4.3. Revolving short term loan of Rs. 25 crores and interest thereon from SICOM Limited, is secured by exclusive first charge by way of equitable mortgage on the land admeasuring 17355 sq. yards at Kondapur Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad owned by SCM Infra Developers Limited and further secured by pledge of shares. These facilities are further secured by personal guarantee of Sri. Y.S.Chowdary, Chairman of the Company.
- 4.4 Working capital loans from IDBI Bank, Karnataka Bank, UCO Bank and term loan from Exim Bank is secured first charge on the current assets of the Company ranking pari-pasu. The loan is further secured by the second charge on the entire fixed assets of the Company, and also by the personal guarantees of Sri. Y.S. Chowdary, Chairman and Sri G.Srinivasa Raju, Managing Director
- 4.5 Factoring facility and bills discounting facility from SBI Factors and Commercial Services Private Limited is secured by Hypothecation by way of first charge on the Company's book-debts and receivables in respect of agreed customers of the Company by the Lender. The loan is further secured by equitable mortgage of industrial property belonging to Charminar Granites Exports Limited, personal guarantee of Sri. Y.S.Chowdary, Chairman of the Company and corporate guarantee of Charminar Granite Exports Limited. Bills discounting facility availed from SICOM Limited is secured by pledge of unencumbered equity shares not covered under non disposal undertaking given to institutions and banks in demat form. These facilities are further secured by the personal guarantees of Sri. Y.S. Chowdary, Chairman and Sri G.Srinivasa Raju, Managing Director
- 4.6 Hire Purchase loans are secured by the assets purchased out of the said loan.

5. Unsecured loans

Unsecured loans includes sales tax deferment sanctioned by the Commercial Taxes Department, Government of Andhra Pradesh. The sales tax deferred liability is repayable at the end of the 14th year from the date of availment without any interest.

6. Contingent liability

(Rupees in Lakhs)

Particulars	As at 30.09.2008	As at 30.06.2007
Bank Guarantees availed from Banks	3417.88	NIL
Letter of credit issued by Banks	1993.71	NIL
Corporate Guarantee issued in favour of Sujana Holdings Limited, Dubai and Alpha Ventures Limited	938.80	938.80
Claims against the Company not acknowledged as Debts	NIL	NIL

7. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances is Rs. 653 lakhs(as on 30th June 2007 Rs. NIL)

8. Taxation

Various components of deferred tax assets and deferred tax liabilities as at 30.09.2008 and 30.06.2007 are given below :

(Rupees in Lakhs)

Particulars	As at 30.09.2008	As at 30.06.2007
Deferred tax liability		
- On account of timing differences relating to depreciation on fixed assets (A)	4980.40	2309.31
Deferred tax assets (B)	NIL	—
Net deferred tax liability (A-B)	4980.40	2309.31
Deferred tax liability charged to profit and loss account. (including previous years deferred tax liability Rs.615.36 lacs)	2671.09	649.14

9. Segment reporting

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

10. Lease commitments

The Company has finance Lease agreements for vehicles, the minimum lease rental outstanding as on 30th September 2008 are as follows:-

(Rupees in lakhs)

Particulars	Total minimum lease payments outstanding		Future interest on outstanding payments		Present value of minimum lease payments	
	As at 30.09.2008	As at 30.06.2007	As at 30.09.2008	As at 30.06.2007	As at 30.09.2008	As at 30.06.2007
Within one year	41.12	NIL	6.15	NIL	34.97	NIL
Latter than one year and not latter than five years	59.73	NIL	5.42	NIL	54.31	NIL
Latter than five years	NIL	NIL	NIL	NIL	NIL	NIL
Total	98.85	NIL	11.57	NIL	89.28	NIL

11. Related party disclosure

As Per Accounting Standard -18 issued by the Institute of Chartered Accountants of India, the disclosures of transactions with related parties as defined in the Accounting Standard are given below :

S.No	Name of the Related Party	Relationship
1	Sujana Transmissions Limited, Hyderabad	Subsidiary
2	Telesuprecon Limited, Mauritius	Companies
3	Digitech Business Systems Limited, Hongkong	(Control exists)

SUJANA TOWERS LIMITED

4	Sujana Metal Products Limited	Associate Companies
5	Sujana Universal Industries Limited	
6	Yalamanchili Finance and Trading Private Limited	
7	Foster Infin and Trading Private Limited	
8	Sujana Finance and Trading Limited	
9	Glade Steels Private Limited	
10	Sujana Holdings Limited, Dubai	
11	Alpha Ventures Limited	
12	Gamma Machinery & Equipment Private Limited, Singapore.	
13	Shri. Y.S. Chowdary	Key Managerial Personnel
14	Shri. G.Srinivasa Raju	
15	Shri. V.S.R.Murthy	
16	Shri. Hanumantha Rao	
17	Shri. R.K. Birla	

Transactions during the year with related parties

(Rupees in lakhs)

S. No	Nature of the transactions	Subsidiaries	Associates	Key managerial personnel	Total
a	Assets purchased	—	0.13	—	0.13
b	Investments made	7.16	—	—	7.16
c	Loans given	469.40	—	—	469.40
d	Purchases made	—	6821.67	—	6821.67
e	Turnover	—	3457.37	—	3457.37
f	Guarantees issued	—	938.80	—	938.80
g	Loans given and outstanding	—	469.40	—	469.40
h	Issue of shares on preferential allotment (Including premium thereon)	—	4125.00	—	4125.00
i	Issue of convertible equity warrants pending conversion into equity shares	—	1353.00	—	1353.00
j	Remuneration to key management personnel	—	—	26.03	26.03
k	Sundry debtors as at 30.09.2008	—	654.03	—	654.03

12. Managerial remuneration

(Rupees in lakhs)

Particulars	2007-2008	2006-2007
Managing and Whole time Directors' remuneration		
Salary and allowances	25.86	NIL
Contribution to provident fund	0.10	NIL
Directors' sitting fees	0.07	NIL
Total	26.03	NIL

13. Payment to auditors

(Rupees in lakhs)

Particulars	2007-2008	2006-2007
a) For statutory audit	6.00	0.90
b) For tax audit	NIL	0.22
c) For certification (Previous Auditors)	0.60	—
Total	6.60	1.12

14 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

15. Earnings Per Share (EPS)

(Rupees in lakhs)

Particulars	Rs/Nos	As at 30.09.2008	As at 30.06.2007
Profit attributable to equity shareholders -(A)	Rs. in lakhs	4115.94	3929.38
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B)	Nos.	39934130	38933035
Nominal value of equity shares	Rs.	5.00	5.00
Basic earnings per share (A/B) #	Rs.	10.31	10.10
Diluted earnings per share #	Rs.	10.08	9.09

Not annualized

16. The provision for current tax, deferred tax, and fringe benefit tax has been made based on the computation of income prepared by the Company.

17. Confirmation of balances from certain creditors, debtors, loans and advances, other liabilities and certain bank accounts are yet to be received.

18. Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

a) Information on licensed and installed capacity
(As certified by the management)

Description	2007-2008		2006-2007	
	Licensed	Installed#	Licensed	Installed
Re-rolled steel products (MTs)	N.A.	87,500	N.A.	70,000
Pre fabricated and galvanised steel (MTs)	N.A.	1,60,156	N.A.	1,28,125

Installed capacity re-stated for 15 months

SUJANA TOWERS LIMITED

b) Production

Description	2007-2008	2006-2007
Re-rolled steel products and Pre fabricated and galvanised steel (MTs) #	1,04,593	70,156

Out of the production 12,108 MT is for captive consumption

c) Turnover, opening and closing stocks

	2007-2008		2006-2007	
	MT.	Rs.	MT.	Rs.
Turnover				
Tower parts	89,682	4,21,86,59,876	12,061	56,08,07,491
Iron and steel products	67,649	2,35,88,58,984	1,28,332	3,04,70,92,941
Tower erection charges	—	25,59,91,449	—	23,03,781
MS Scrap	4,543	8,03,83,384	5,012	6,10,23,511
Others	—	56,35,38,266	—	72,32,97,322
Total		7,47,74,31,959		4,39,45,25,046
Opening stock				
Tower parts	67	29,09,518	—	—
Iron and steel products	3,509	9,02,95,912	204	35,37,107
MS Scrap	44	5,59,552	—	—
Others	—	4,11,79,392	—	—
Total		13,49,44,374		35,37,107
Closing stock				
Tower parts	2	1,11,803	67	29,09,518
Iron and steel products	3,105	10,78,92,413	3,509	9,02,95,912
MS Scrap	77	17,64,675	44	5,59,552
Others	—	—	—	4,11,79,392
Total		10,97,68,891		13,49,44,374

d) (i) Value of materials consumed during the period

Description	2007-2008			2006-2007		
	Mts	Value in Rs.	%	Mts	Value in Rs.	%
Iron and steel						
Indigenous	68,744	1,98,40,19,818	100	56,590	1,24,85,82,190	100
Imported	—	—	—	—	—	—
Tower parts						
Indigenous	35,732	1,38,26,91,332	100	29,458	63,44,44,610	100
Imported	—	—	—	—	—	—
Others						
Indigenous	—	25,06,002	100	—	38,14,29,089	97
Imported	—	—	—	—	1,32,75,900	3
Total		3,36,92,17,152			2,27,77,31,789	

ii) Value of bought out material consumed

Description	2007-2008			2006-2007		
	Mts	Value in Rs.	%	Mts	Value in Rs.	%
Iron and steel (indigenous)	13,148	33,61,52,200	100	16,307	31,16,26,107	100
Iron and steel (imported)	—	—	—	—	—	—
Tower Parts						
Indigenous	48,736	2,16,17,84,709	94	46,307	1,11,52,60,301	—
Imported	3,893	14,02,85,690	6	—	—	—
Others						
Indigenous		6,11,55,865	44	—	—	—
Imported	—	7,83,05,369	—	—	—	—
Total		2,77,76,83,833			1,42,68,86,408	

(iii) Value of consumables, stores and spares consumed during the period

Description	2007-2008	%	2006-2007	%
Consumables (indigenous)	19,04,47,416	100	4,63,03,392	100
Consumables (imported)	—	—	—	—
Total	19,04,47,416	100	4,63,03,392	100

e) Expenditure in foreign currency (Accrual basis)

(Rupees in lacs)

	2007- 2008	2006 - 2007
Travelling expenses	8.77	10.55
Seminars	22.44	NIL

f) Investment in equity and loans in foreign currency

Equity	2.22	NIL
Loans given to subsidiary	469.40	NIL

g) Earning in foreign currency (cash and accrual basis)

FOB value of exports	10487.82	1281.99
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h) CIF value of imports

Raw materials and traded goods	1484	133
Stores, spares and consumables	NIL	NIL
Capital goods	NIL	NIL

19. Previous period figures have been regrouped and reclassified wherever necessary to conform to current period's classification.
20. Previous year figures are for 12 months and are not comparable with the current period figures, as the current period figures are for 15 months.
21. Schedules 1 to 17 form integral part of the balance sheet.

As per our report of even date

For and on behalf of the Board

R.Subramanian and Company

G. Srinivasa Raju

S. Hanumantha Rao

Chartered Accounts

Managing Director

Director

V. NALINI

L.Narasimha Rao

Partner

Company Secretary

Membership No. 208352

Place : Chennai
Date : 29.12.2008

Place : Hyderabad
Date : 29.12.2008

SUJANA TOWERS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2008

(Rupees in Lakhs)

	2007-2008	2006-2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	7955.04	5157.74
ADJUSTED FOR DEPRECIATION	1416.48	674.52
DIVIDEND DISTRIBUTION TAX	0.63	—
PROVISION FOR GRATUITY AND EARNED LEAVE	38.13	—
FINANCIAL CHARGES	2181.99	511.21
INTEREST EARNED & OTHER INCOME	(482.29)	(29.13)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	11109.97	6314.34
ADJUSTED FOR		
DECREASE/(INCREASE) IN INVENTORIES	(2215.26)	(4249.18)
DECREASE/(INCREASE) IN DEBTORS	(3494.75)	(8085.96)
DECREASE/(INCREASE) IN LOANS AND ADVANCES	(9605.39)	(1510.53)
(DECREASE)/INCREASE IN CURRENT LIABILITIES	(2673.66)	5424.27
CASH GENERATED FROM OPERATIONS	(6879.09)	(2107.06)
OTHER INCOME	459.97	29.13
TAXES PAID	(453.31)	—
CASH FROM OPERATING ACTIVITIES (A)	(6872.43)	(2077.93)
B. CASH FLOW FROM INVESTING ACTIVITIES		
DECREASE/(INCREASE) IN FIXED ASSETS	(10030.04)	(15656.94)
SALE OF FIXED ASSETS	203.00	—
INCREASE IN CAPITAL WORK IN PROGRESS	(28.94)	—
INCREASE IN INVESTMENTS	(7.16)	—
CASH USED IN INVESTING ACTIVITIES (B)	(9863.14)	(15656.94)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
(DECREASE) / INCREASE IN LONG TERM BORROWINGS	13566.22	4104.51
(DECREASE) / INCREASE IN SHAREHOLDERS FUNDS	5403.00	14161.57
INTEREST PAID	(2181.99)	(511.21)
NET CASH FROM FINANCING ACTIVITIES (C)	16787.23	17754.87
D. NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	51.66	20.00
E. CASH AND CASH EQUIVALENT AS ON 30.06.07	20.00	—
F. CASH AND CASH EQUIVALENT AS ON 30.09.08 (D+E)	71.66	20.00

As per our report of even date

R.Subramanian and Company
Chartered Accounts

V. NALINI
Partner
Membership No. 208352

Place : Chennai
Date : 29.12.2008

For and on behalf of the Board

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

L.Narasimha Rao
Company Secretary

Place : Hyderabad
Date : 29.12.2008



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

Sl. No	Particulars	SUJANA TRANSMISSIONS LTD	DIGITECH BUSINESS SYSTEMS LTD	TELE - SUPRECON LIMITED
1	Financial year of the Company	31-07-08 "to 31-03-09"	01-01-08 to 31-12-08	01-01-08 to 31-12-08
2	Shares of the Subsidiary held by the Company as on 30.09.08	49400 Equity Shares of Rs.10/- each fully paid up	510 Equity Shares of USD 1 Each fully paid up	5001 Equity Shares of USD 1 Each fully paid up
	(a) Amount invested which is equalant in Indian Currency	Rs. 494000	Rs.200478	Rs. 22001
	(b) Extent of holding	96%	100%	51%
3	Net aggregate amount of profits/(losses) of the Subsidiary for the above financial year of the Subsidiary not dealt with in the Company's accounts (Rupees in Lakhs)			
	(a) for the financial year of the Subsidiary - profit / (loss)	NIL	NIL	NIL
	(b) for the previous financial years since it became a Subsidiary	NIL	NIL	NIL
4	Net aggregate amount of profits/(losses) of the Subsidiary for the above financial year of the Subsidiary dealt with in the Company's accounts (Rupees in Lakhs)			
	(a) for the financial year of the Subsidiary - profit / (loss)	0.00	(2.28)	29.47
	(b) for the previous financial years since it became a Subsidiary	0	0	0

The financial period of the Holding Company is not coinciding with the financial period of Subsidiary Companies. The following information is provided under Sec.212 (5) of the Companies Act, 1956 in this regard.

- 1 There is no change in the holding Company's interest in the Subsidiary from the date of incorporation to the date of closure of the financial period of Holding Company i.e., 30.09.2008 in respect of Sujana Transmissions Limited, Digitech Business Systems Ltd. During the period under review, the Holding Company has acquired 51% of the equity of Telesupricon Limited.
- 2 There are no material changes which have occurred from the date of incorporation and or becoming Subsidiaries to the date of closure of the financial period of the Holding Company (i.e., 30.09.2008) in respect of 'Subsidiaries' (a) fixed assets (b) investments (c) money lent by it (d) the money borrowed by it for any purpose other than that of meeting current liabilities.

For and on behalf of the Board

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

Place: Hyderabad
Date : 29-01-2009

L. Narasimha Rao
Company Secretary

INTENTIONALLY KEPT BLANK

Consolidated Accounts for the Period Ended 30.09.2008

SUJANA TOWERS LIMITED

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SUJANA TOWERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of M/s Sujana Towers Limited ("Group") as at 30th September 2008 and the consolidated Profit and Loss Account and also consolidated Cash Flow Statement for the period of 15 months ended on that date annexed thereof. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Consolidated Financial Statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the Financial Statements of any of the subsidiaries, whose Consolidated Financial Statements reflect total assets of Rs.3109.97 lacks as at 30th September 2008, total revenues of Rs.675.63 lacks and total net cash flows of Rs.623.14 lacks for the period then ended. These Financial Statements, as mentioned in paragraph 4 below, have been consolidated on the basis of management certificate and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries is based solely on the basis of management certification.
4. These Consolidated Financial Statements for the period ended 30th September 2008 include the unaudited financial statements of the following entities, consolidated on the basis of management certification:
 - a. Telesuprecon Limited
 - b. Sujana Transmission Limited
 - c. Digitech Business Systems Limited
5. We report that the Consolidated Financial Statements have been prepared by the management of Sujana Towers Limited in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements" and AS 27 "Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India.
6. Attention is drawn to the following notes on Schedule 17
 - a. Note no.13 of Schedule 17 regarding non-conformity with Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, in the preparation of the Consolidated Financial Statements in the case of certain subsidiary companies, whose impact on the Consolidated Financial Statements is not presently ascertainable; this has also resulted in issuance of a qualified opinion on the Consolidated Financial Statements for the period ended 30th September 2008.
7. In the absence of audited financial statements in respect of the entities referred to in Para 4 above, we are unable to express an opinion as to the balances, results from operations and cash flows pertaining to such entities included in the Consolidated Balance Sheet, Profit & Loss Account and Cash Flow Statement respectively as at and for the period ended 30th September 2008. This has also resulted in issuance of a disclaimer of opinion on the Consolidated Financial Statements for the period ended 30th September 2008.
8. On this basis of the information and explanations given to us and on consideration of the separate audit report on Audited Financial Statements of Sujana Towers Limited and Unaudited Financial Statements of its aforesaid subsidiaries and subject to our observations in Para 6,7 and 8 above the effect of which on these accounts is presently not ascertainable, we are of the opinion that in conformity with the accounting principles generally accepted in India:
 - a. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Sujana Towers Limited and its consolidated entities as at 30th September 2008.
 - b. The Consolidated Profit & Loss Account, gives a true and fair view of the consolidated results of operations of Sujana Towers Limited and its consolidated entities for the period then ended; and
 - c. The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Sujana Towers Limited and its consolidated entities for the period then ended.

For R. SUBRAMANNIAN & COMPANY
CHARTERED ACCOUNTANTS

V. NALINI

Partner

Membership No. 208352

Place: Chennai
Dated: 29.12.2008



CONSOLIDATED BALANCE SHEET AS AT 30.09.2008

(Amount in Rupees)

	Sch. Ref.	AS AT 30.09.2008
SOURCES OF FUNDS		
1. Shareholders Funds		
A) Equity Share Capital	1	207,165,175
B) Preference Share Capital		29,679,500
C) Compulsorily Convertible Warrants		135,300,000
D) Reserves and Surplus	2	2,293,885,223
2. Minority Interest		12,869,891
3. Loan Funds		
Secured Loans	3	1,767,072,555
Unsecured Loans	4	245,931,469
4. Deferred Tax Liability		498,039,569
Total		5,189,943,382
APPLICATION OF FUNDS		
1. Fixed Assets		
Gross Block	5	2,739,137,288
Less: Depreciation		462,823,474
Net Block		2,276,313,815
Capital Work in Progress		162,759,407
		2,439,073,222
2. Investments	6	
3. Current Assets, Loans and Advances		
i) Inventories	7	657,475,478
ii) Sundry Debtors	8	1,297,789,734
iii) Cash and Bank Balances	9	215,264,558
iv) Loans and Advances	10	921,038,670
		3,091,568,440
Less: Current Liabilities and Provisions	11	340,725,577
Net Current Assets		2,750,842,860
Misc Expenses to the extent not written-off		27,300
Total		5,189,943,382
Significant Accounting Policies and Notes on Accounts	17	

As per our report of even date

For and on behalf of the Board

R.Subramanian and Company
Chartered Accounts

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

V. NALINI
Partner
Membership No. 208352

L.Narasimha Rao
Company Secretary

Place : Chennai
Date : 29.12.2008

Place : Hyderabad
Date : 29.12.2008

SUJANA TOWERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30.09.2008

(Amount in Rupees)

	Sch. Ref.	FOR THE PERIOD ENDED 30.09.2008
INCOME		
Sales (Gross)		7,975,753,812
Less: Duties and Taxes		430,786,599
Net Sales		7,544,967,213
Other Income	12	48,256,711
Increase/(Decrease) In Stock	13	292,778,144
Total (A)		7,886,002,068
EXPENDITURE		
Materials Consumed	14	6,184,243,023
Manufacturing, Selling and Administration Expenses	15	545,262,714
Financial Charges	16	218,446,000
Depreciation	5	147,057,886
Total (B)		7,095,009,623
PROFIT BEFORE TAX, PRIOR PERIOD ITEMS AND MINORITY INTEREST		790,992,445
Provision for		
i) Current Tax		117,746,629
ii) Current Year Deferred Tax		205,572,304
iii) Fringe Benefit Tax		814,056
PROFIT AFTER TAXATION, AND BEFORE PRIOR PERIOD ADJUSTMENTS, MINORITY INTEREST		466,859,456
Prior Period Adjustments		
Add : Prior Period Income (Net)		12,539,432
Less: Previous Year Deferred Tax		61,536,311
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST		417,862,577
MINORITY INTEREST		2,831,765
NET PROFIT AFTER TAXATION AND MINORITY INTEREST		415,030,812
Adjustment for Fluctuation in Exchange Rates		
Profit Brought Forward from Previous Period		392,937,595
Dividend on CRPS (including Dividend Distribution Tax Thereon)		717,425
PROFIT CARRIED TO BALANCE SHEET		807,250,982
Earnings Per Share		
Basic		10.37
Diluted		10.16
Significant Accounting Policies & Notes On Accounts	17	

As per our report of even date
R.Subramanian and Company
Chartered Accounts

V. NALINI

Partner

Membership No. 208352

Place : Chennai
Date : 29.12.2008

For and on behalf of the Board

G. Srinivasa Raju

Managing Director

S. Hanumantha Rao

Director

L.Narasimha Rao

Company Secretary

Place : Hyderabad
Date : 29.12.2008

**CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS***(Amount in Rupees)***AS AT
30.09.2008****SCHEDULE NO : 1****Share Capital***Authorised Share Capital*

8,80,00,000 (Previous year 4,01,00,000) Equity Shares of Rs.5/- each	440,000,000
6,00,00,000 (Previous year 6,00,000) Cumulative Redeemable Preference Shares Of Rs 100/-each	60,000,000

500,000,000*Issued,Subscribed And Paid Up Capital*

41433035 (Previous year 3,89,33,035) Equity Shares of Rs.5/- each	207,165,175
-------------------------------------------------------------------	-------------

296795 (Previous year 2,96,795) 1% Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each	29,679,500
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NIL (Previous year 75000) 14% Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each	—
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Refer Note II (1) and II (2) of Schedule 17	29,679,500
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SCHEDULE NO : 2**Reserves and Surplus**

Capital Reserve

As per Last Balance Sheet	1,076,216,581
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ADD: on Consolidation of Subsidiaries	10,417,661
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1,086,634,241

Share Premium on conversion of compulsorily convertible warrants	400,000,000
------------------------------------------------------------------	-------------

Profit and Loss Account	807,250,982
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Total **2,293,885,223****SCHEDULE NO : 3****Secured Loans (Refer Note II(3) and II(4) of Schedule 17****FROM BANKS**

A. Optionally Fully Convertible Debentures	80,000,000
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B. Term Loans from Banks	218,366,968
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C. Term Loans from Financial Institutions	250,000,000
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D. Working Capital Loans from banks	950,467,522
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E. Bills Discounting facility from Financial Institutions	249,920,919
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F. Hire Purchase Loans from Banks	8,928,782
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G. Interest Accrued and due on Secured Loans	9,388,364
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Total **1,767,072,555****SCHEDULE NO :4****Unsecured Loans**

Deferred Sales Tax Liability	30,467,152
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Inter Corporate Deposits	215,464,317
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Total **245,931,469**

SCHEDULE NO : 5
Schedule of Fixed Assets as on 30.09.2008
 (Amount in Rupees)

DESCRIPTION	COST				DEPRECIATION				NET BLOCK
	Balance As On 01.07.2007	Additions During The Period	Deletions During The Period	Balance As On 30.09.08	Upto 30.06.07	For The Period	Depreciation Withdrawn	Total As On 30.09.08	Balance As On 30.09.08
Land	723811	—	—	723811	—	—	—	—	723811
Buildings	49769650	—	—	49769650	3190360	2077883	—	5268243	44501407
Plant and Machinery	1670414326	980513865	8110525	2642817666	311243954	142204626	2134231	451314349	2191503317
Workshop Equipment	723410	—	—	723410	132593	42952	—	175545	547865
Weighing Machine	1133871	—	—	1133871	327859	67324	—	395183	738688
Electrical Installation	11445930	999162	—	12445092	1458725	716123	—	2174848	10270244
Furniture and Fixtures	282871	2366385	—	2649256	55509	127169	—	182678	2466578
Office Equipment	1081461	776778	—	1858240	304600	173315	—	477915	1380325
Vehicles	4536133	13838441	—	18374574	4305264	737186	—	5042450	13332124
Computers	18337895	4509216	14205394	8641718	3321498	911309	1030333	3202474	5439244
Total	1758449358	1003003848	22315919	2739137288	324340362	147057886	3164564	468233685	2270903604
Capital Work In Progress	159865638	2893769	—	162759407	—	—	—	—	162759407



CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2008
SCHEDULE NO : 6	
Investments	
(A) Long Term, Unquoted, Non Trade Valued at Cost	—
SCHEDULE NO : 7	
Inventories	
(As Taken, Valued and Certified by the Management)	
Raw Material	43,477,973
Stock in Process	464,030,555
Finished Goods	120,800,823
Stores, Spares and Consumables	29,166,127
Total	657,475,478
SCHEDULE NO : 8	
Sundry Debtors	
(Unsecured and Considered Good)	
Debts Outstanding for a Period Exceeding Six Months	68,051,463
Other Debts	1,229,738,271
Total	1,297,789,734
SCHEDULE NO : 9	
Cash and Bank Balances	
1. Cash on Hand	2,215,097
2. Bank Balances With Scheduled Banks	
A. Current Account	67,870,321
B. Margin Money Account	145,179,140
Total	215,264,558
SCHEDULE NO : 10	
Loans and Advances (Unsecured and Considered Good)	
1. Advances to Suppliers	440,529,886
2. Deposits with Excise and Other Government Authorities	88,190,650
3. Advances for Busines Acquisition	361,410,000
4. Advnaces Recoverable in Cash or in kind or Value to be Received	30,908,134
Total	921,038,670

SUJANA TOWERS LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

		AS AT
		30.09.2008
SCHEDULE NO : 11		
Current Liabilities and Provisions		
A)	Current Liabilities	
	1. Sundry Creditors	154,906,814
	2. Advances From Customers	27,316,738
	3. Other Liabilities	23,600,246
	Sub - Total (A)	205,823,798
B)	Provisions	
	1. Provision for Dividends on CRPS (Including Dividend Distribution Tax)	654,375
	2. Provision for Income-tax	129,620,533
	3. Provision for Fringe Benefit Tax	814,056
	4. Provision for Gratuity	3,077,640
	5. Provision for Leave Encashment	735,178
	Sub - Total (B)	134,901,782
	Total (A+B)	340,725,580
SCHEDULE NO : 12		
Other Income		
	1. Interest Earned	14,195,842
	2. Miscellaneous Income (Includes Rs.3,17,70,000 on Account of Assignment of Contracts to third Parties and Profit on Sale of Fixed Assets of Rs.119634/-)	34,060,869
	Total	48,256,711
SCHEDULE NO : 13		
Increase/(Decrease) In Stock		
	Opening Stock	
	Stock In Process	157,108,860
	Finished Goods	134,944,374
	Total (A)	292,053,234
	Closing Stock	
	Stock In Process	464,030,555
	Finished Goods	120,800,823
	Total (B)	584,831,378
	Increase/(Decrease) in Stock (B-A)	292,778,144



CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT
	30.09.2008
SCHEDULE NO : 14	
Materials Consumed	
Opening Stock of Materials	3,239,373
Add: Purchase of Materials	6,224,481,623
	<u>6,227,720,996</u>
Less: Closing Stock	43,477,973
Materials Consumed	<u>6,184,243,023</u>
SCHEDULE NO : 15	
Manufacturing, Selling and Administration Expenditure	
Manufacturing Expenses	118,820,726
Power Charges / Electricity Charges	94,402,109
Factory Maintenance	3,368,984
Advertisement Expenses and Sales Promotion	4,712,839
Audit Fees	600,000
Bad Debts Written off	7,430
Travelling and Conveyance	3,373,120
Travelling Expenses - Directors	841,367
Donations	130,000
Rent, Rate and Taxes	4,513,163
Insurance - Others	1,276,953
Miscellaneous Expences	2,439,177
Postage and Telegrams and Telephones	1,561,088
Printing and Stationery	1,641,091
Professional and Consultancy	10,847,738
Security Charges	3,099,300
Seminars	2,252,952
Staff Welfare	2,252,223
Repairs and Maintenance	
- Buildings	460,387
- Plant and Machinery	1,904,397
- Others	2,504,171
Consumption of Consumabales	190,447,416
Salaries and Wages	75,074,134
Employer Contribution to E.S.I and PF	2,453,145
Foreign Exchange Loss	19,102,350
Directors Remuneration	2,586,667
Total	<u>550,672,925</u>
SCHEDULE NO : 16	
Financial Charges	
Interest on Working Capital and Financial Charges	145,913,912
Interest on Term Loans	57,888,783
Interest on Others	14,643,304
Total	<u>218,446,000</u>

SUJANA TOWERS LIMITED

SCHEDULE NO. 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE PERIOD ENDED 30TH SEPTEMBER 2008

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of consolidated financial statements

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

Investments in the consolidated entities are accounted in accordance with accounting principles as defined under AS 21 "Consolidated Financial Statements" The company does not have any investments in Joint Ventures.

The Consolidated Financial Statements for the period ended 30th September, 2008 have been prepared on the basis of the unaudited financial statements of the following subsidiaries.

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

2. Use of estimates

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

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

3. Fixed assets

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

4. Intangible assets

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

5. Depreciation and amortization

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

6. Inventories

Items of Inventories are measured at lower of Cost or net realizable value after providing for obsolescence, if any. Cost of Inventories comprises of Cost of Purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of Raw materials, Stores and spares, Packing Materials, trading and other Products are determined on Weighted average basis. Work in process includes material cost and applicable direct overheads. Finished goods are valued at the aggregate of material cost and applicable direct and indirect overheads or market value whichever is lower. Excise duty in respect of finished goods lying within the factory is included in valuation of inventories.

7. Investments

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

8. Leases

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

9. Employee benefits

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

10. Provisions, contingent liabilities and contingent assets

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

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

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

11. Foreign currency transactions

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

12. Borrowing cost

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

13. Taxation

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

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

SUJANA TOWERS LIMITED

15. Impairment of assets

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

16. Earnings per share

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

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

17. Consolidated cash flow statement

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

II. OTHER NOTES

1) Share capital

Share capital includes 3,89,33,035 (Previous year 3,89,33,035) equity share of Rs. 5/- each fully paid up issued pursuant to the scheme of arrangement and amalgamation without payment being received in cash.

The share capital includes 25,00,000 (Previous year NIL) equity shares of Rs.5/- each fully paid up issued on a preferential basis to the Promoters Group during the period at a premium of Rs.160/- per share.

1% Cumulative Redeemable Preference Shares (CRPS) are redeemable in 12 quarterly Instalments commencing from 1st October, 2013

2) Equity share warants

In terms of the approval of the shareholders of the Company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on 23rd October, 2007 has issued and allotted 80,00,000 warrants on preferential basis to entities in the Promoter Group entitling them to apply for equivalent number of fully paid up equity shares of Rs. 5/- each of the Company, at a price of Rs. 165/- per equity share.

Out of the 80,00,000 convertible warrants issued, warrants equivalent to 25,00,000 equity shares were converted on 31.03.2008, and the balance 55,00,000 warrants is reflected under Equity Share Warrants in the Balance sheet pending exercise thereof.

3) Optionally fully convertible debentures

Pursuant to the Scheme of Arrangement and Amalgamation an amount of Rs.800 lakhs due by the Company to IFCI has been discharged by way of allotment of Optionally Fully Convertible Debentures (OFCDs) to IFCI Limited during the year, and the Debentures is redeemable in 18 months from the date of allotment and carrying a coupon rate of 13%. As per the terms of the allotment the OFCDs if not redeemed are liable to be converted into equity shares. OFCDs and the interest thereon is secured by first charge on the entire assets of the Company both present and future ranking paripasu with the charges already created in favour of existing term lenders and subject to prior charges created for working capital borrowings and further secured by the Guarantee of Shri Y.S. Chowdary, Chairman of the Company.

4. Secured loans

- 4.1 Term Loans from IDBI Bank of Rs. 900.34 lakhs and the interest thereon is secured by first charge on the entire assets of the Company both present and future ranking paripasu with the charges already created in favour of existing term lenders and subject to prior charges created for working capital borrowings and further secured by the Guarantees of Sri. Y.S. Chowdary, Chairman, Sri G.Srinivasa Raju, Managing Director of the Company and Sri. S.T.Prasad, relative of the Chairman.
- 4.2 Term Loan from Karnataka Bank of Rs.1283.33 lakhs and the interest thereon is secured by an exclusive charge on the equipment purchased out of the loan availed, pari pasu first charge on the residual value of fixed assets of the Company and personal guarantees of Sri. Y.S. Chowdary, Chairman and Sri G.Srinivasa Raju, Managing Director.
- 4.3. Revolving short term loan of Rs. 25 crores and interest thereon from SICOM Limited, is secured by exclusive first charge by way of equitable mortgage on the land admeasuring 17355 sq. yards at Kondapur Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad owned by SCM Infra Developers Limited and further secured by pledge of shares. These facilities are further secured by personal guarantee of Sri. Y.S.Chowdary, Chairman of the Company.
- 4.4 Working capital loans from IDBI Bank, Karnataka Bank, UCO Bank and term loan from Exim Bank is secured first charge on the current assets of the Company ranking pari-pasu. The loan is further secured by the second charge on the entire fixed assets of the Company, and also by the personal guarantees of Sri. Y.S. Chowdary, Chairman and Sri G.Srinivasa Raju, Managing Director
- 4.5 Factoring facility and bills discounting facility from SBI Factors and Commercial Services Private Limited is secured by Hypothecation by way of first charge on the Company's book-debts and receivables in respect of agreed customers of the Company by the Lender. The loan is further secured by equitable mortgage of industrial property belonging to Charminar Granites Exports Limited, personal guarantee of Sri. Y.S.Chowdary, Chairman of the Company and corporate guarantee of Charminar Granite Exports Limited. Bills discounting facility availed from SICOM Limited is secured by pledge of unencumbered equity shares not covered under non disposal undertaking given to institutions and banks in demat form. These facilities are further secured by the personal guarantees of Sri. Y.S. Chowdary, Chairman and Sri G.Srinivasa Raju, Managing Director
- 4.6 Hire Purchase loans are secured by the assets purchased out of the said loan.

5. Unsecured loans

Unsecured loans includes sales tax deferment sanctioned by the Commercial Taxes Department, Government of Andhra Pradesh. The sales tax deferred liability is repayable at the end of the 14th year from the date of availment without any interest.

6. Contingent liability

(Rupees in Lakhs)

Particulars	As at 30.09.2008
Bank Guarantees availed from Banks	3417.88
Letter of credit issued by Banks	1993.71
Corporate Guarantee issued in favour of Sujana Holdings Limited, Dubai and Alpha Ventures Limited	938.80
Claims against the Company not acknowledged as Debts	NIL

7. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances is Rs. 653 lakhs(as on 30th June 2007 Rs. NIL)

SUJANA TOWERS LIMITED

8. Taxation

Various components of deferred tax assets and deferred tax liabilities as at 30.09.2008 and 30.06.2007 are given below :

(Rupees in Lakhs)

Particulars	As at 30.09.2008
Deferred tax liability	
- On account of timing differences relating to depreciation on fixed assets (A)	4980.40
Deferred tax assets (B)	NIL
Net deferred tax liability (A-B)	4980.40
Deferred tax liability charged to profit and loss account. (including previous years deferred tax liability Rs.615.36 lacs)	2671.09

9. Segment reporting

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

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

Financial Information as required in respect of operating and Reportable Segments is as given below :

For The Period Ended September 30 2008

(Rupees in Lakhs)

	India	Mauritius	Hongkong	Consolidated
Revenue				
External Sales	74774.32	675.35	0.00	75449.67
Inter - Segment Sales	0.00	0.00	0.00	0.00
Total Revenue	74774.32	675.35	0.00	75449.67
Results				
Segment Results	9529.34	84.68	(2.21)	9611.82
Interest Expense	—	—	—	2184.46
Other Income	—	—	—	607.96
Income Tax	—	—	—	3856.69
Minority Interest	—	—	—	28.32
Profit For The Period	—	—	—	4150.31
Other Information				
Segment Assets	50573.85	3104.81	0.00	53678.82
Segment Liabilities	21164.32	2372.88	0.09	23537.30
Capital Expenditure	1627.59	0.00	0.00	1627.59
Depreciation/Amortization	1416.48	54.10	0.00	1470.58

10. Lease commitments

The Company has finance Lease agreements for vehicles, the minimum lease rental outstanding as on 30th September 2008 are as follows:-

(Rupees in lakhs)

Particulars	Total minimum lease payments outstanding	Future interest on outstanding payments	Present value of minimum lease payments
	As at 30.09.2008	As at 30.09.2008	As at 30.09.2008
Within one year	41.12	6.15	34.97
Latter than one year and not latter than five years	59.73	5.42	54.31
Latter than five years	NIL	NIL	NIL
Total	98.85	11.57	89.28

11. Related party disclosure

As Per Accounting Standard -18 issued by the Institute of Chartered Accountants of India, the disclosures of transactions with related parties as defined in the Accounting Standard are given below :

S.No	Name of the Related Party	Relationship
1	Sujana Transmissions Limited, Hyderabad	Subsidiary
2	Telesuprecon Limited, Mauritius	Companies
3	Digitech Business Systems Limited, Hongkong	(Control exists)
4	Sujana Metal Products Limited	Associate Companies
5	Sujana Universal Industries Limited	
6	Yalamanchili Finance and Trading Private Limited	
7	Foster Infin and Trading Private Limited	
8	Sujana Finance and Trading Limited	
9	Glade Steels Private Limited	
10	Sujana Holdings Limited, Dubai	
11	Alpha Ventures Limited	
12	Gamma Machinery & Equipment Private Limited, Singapore.	
13	Shri. Y.S. Chowdary	Key Managerial Personnel
14	Shri. G.Srinivasa Raju	
15	Shri. V.S.R.Murthy	
16	Shri. Hanumantha Rao	
17	Shri. R.K. Birla	

SUJANA TOWERS LIMITED

Transactions during the year with related parties

(Rupees in lakhs)

S. No	Nature of the transactions	Subsidiaries	Associates	Key managerial personnel	Total
a	Assets purchased	—	0.13	—	0.13
b	Investments made	7.16	—	—	7.16
c	Loans given	469.40	—	—	469.40
d	Purchases made	—	6821.67	—	6821.67
e	Turnover	—	3457.37	—	3457.37
f	Guarantees issued	—	938.80	—	938.80
g	Loans given and outstanding	—	469.40	—	469.40
h	Issue of shares on preferential allotment (Including premium thereon)	—	4125.00	—	4125.00
i	Issue of convertible equity warrants pending conversion into equity shares	—	1353.00	—	1353.00
j	Remuneration to key management personnel	—	—	26.03	26.03
k	Sundry debtors as at 30.09.2008	—	654.03	—	654.03

12. Managerial remuneration

(Rupees in lakhs)

Particulars	2007-2008
Managing and Whole time Directors' remuneration	
Salary and allowances	25.86
Contribution to provident fund	0.10
Directors' sitting fees	0.07
Total	26.03

13. Payment to auditors

(Rupees in lakhs)

Particulars	2007-2008
a) For statutory audit	6.00
b) For tax audit	NIL
c) For certification (Previous Auditors)	0.60
Total	6.60

14 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

15. Earnings Per Share (EPS)

(Rupees in lakhs)

Particulars	Rs/Nos	As at 30.09.2008
Profit attributable to equity shareholders -(A)	Rs. in lakhs	4150.31
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B)	Nos.	39934130
Nominal value of equity shares	Rs.	5.00
Basic earnings per share (A/B) #	Rs.	10.37
Diluted earnings per share #	Rs.	10.16

Not annualized

16. The provision for current tax, deferred tax, and fringe benefit tax has been made based on the computation of income prepared by the Company.
17. Confirmation of balances from certain creditors, debtors, loans and advances, other liabilities and certain bank accounts are yet to be received.
18. Previous year figures are not furnished, since there were no subsidiaries in the previous year.

As per our report of even date

For and on behalf of the Board

R.Subramanian and Company
Chartered Accounts

G. Srinivasa Raju
Managing Director

S. Hanumantha Rao
Director

V. NALINI
Partner
Membership No. 208352

L.Narasimha Rao
Company Secretary

Place : Chennai
Date : 29.12.2008

Place : Hyderabad
Date : 29.12.2008

Sujana Towers Limited (Parent Company)

(Rs. in lakhs)

Description	Telesuprecon Limited	Digitech Business Systems Limited	Sujana Transmissions Limited
Loans and advances in the nature of loans to Subsidiaries	469.40	NIL	NIL
Loans and advances in the nature of loans to Associates	N.A.	N.A.	N.A.
Loans and advances in the nature of loans where there is			
(i) No repayment schedule or repayment beyond seven years or	469.40*	NIL	NIL
(ii) No interest or interest below section 372A of the Companies Act, 1956	469.40	NIL	NIL
Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	469.40	NIL	NIL

* The loan is repayable on demand

Subsidiary Companies

Name of the Subsidiary	Loans and advances in the nature of loans to Subsidiaries	Loans and advances in the nature of loans to Associates	Loans and advances in the nature of loans where there is		Loans and advances in the nature of firms/ companies in which directors are interested by name and amount	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.
			(i) No repayment schedule or repayment beyond seven years or	(ii) No interest or interest below section 372A of the Companies Act, 1956		
Telesuprecon Limited, Mauritius	NIL	NIL	NIL	NIL	NIL	NIL
Digitech Business Systems Limited, Hong Kong	NIL	NIL	NIL	NIL	NIL	NIL
Sujana Transmissions Limited, Hyderabad	NIL	NIL	NIL	NIL	NIL	NIL



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2008

	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES	Rs. In Lacs
Net Profit Before Tax	8006.73
Adjusted for Depreciation	1470.58
Dividend Distributin Tax	0.63
Provision for Gratuity and Earned Leave	38.13
Financial Charges	2184.39
Interest Earned & Other Income	(482.57)
OPERATING PROIFT BEFORE WORKING CAPITAL CHANGES	11217.89
Adjusted For	
Decrese/(Increase) in Inventories	(2321.45)
Decrese/(Increase) in Debtors	(4782.08)
Decrese/(Increase) in Loans And Advances	(9151.65)
(Decrese)/Increase in Current Liabilities	(2459.81)
CASH GENERATED FROM OPERATIONS	(7497.10)
Other Income	460.25
Taxes Paid	(498.74)
Prepaid Expenses	(7.71)
CASH FROM OPERATING ACTIVITIES (A)	(7543.30)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Decrese/(Increase) in Fixed Assets	(10895.84)
Sale of Fixed Assets	203.00
Increase in Capital Work in Progress	(28.94)
Increase in Investments	(0.00)
CASH USED IN INVESTING ACTIVITIES (B)	(10721.78)
C. CASH FLOW FROM FINANCIAL ACTIVITIES	
(Decrese) / Increase in long term Borrowings	15720.86
(Decrese) / Increase in Shareholders Funds	5403.41
Interest Paid	(2184.39)
NET CASH FROM FINANCING ACTIVITES (C)	18939.88
D. NET INCREASE IN CASH AND CASH EQUILANT (A+B+C)	674.80
Opening Cash and Cash Equilant	26.06
E. CASH AND CASH EQUILANT AS ON 30.09.08	700.86

For and on behalf of the board

G. SRINIVASA RAJU

Managing Director

S.HANUMANTHA RAO

Director

Place: Hyderabad

Date: 29.12.2008

L.NARASIMHA RAO

Company Secretary

ADITITOR'S CERTIFICATE

We Have Examined The Attached Consolidated Cash Flow Statement Of Sujana Towers Limited, For The Year Ended 30.09.2008. 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 And Loss Account And Balance Sheet Of The Company Covered By Our Report Of 29.12.2008 To The Members Of The Company.

For R.SUBRAMANIAN AND COMPANY

Chartered Accounts

V. NALINI

Partner

Place: Chennai

Dated: 29.12.2008

Membership No. 208352

SUJANA TOWERS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Lakhs)

I REGISTRATION DETAILS

Registration No / Company Identification No.	CIN U 40109 AP 2006 PLC 049743
Balance Sheet	30.09.2008
State Code	01

II CAPITAL RAISED DURING THE YEAR

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Preferential Allotment	12500

III POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS

Total Liabilities	49485
Total Assets	49485

Sources of Funds

Paid up Capital	2072
Cumulative Redeemable Preference Share Capital	297
Compulsorily Convertible Warrants	1353
Reserves and Surplus	22807
Deferred Tax Liability	4980
Secured Loans	17671
Unsecured Loans	305

Application of Funds

Net Fixed Assets	21806
Work in Progress	1628
Investments	7
Net Current Assets	26044

IV PERFORMANCE OF THE COMPANY

Total Income	78074
Total Expenditure	70244
Profit before Tax	7830
Profit after Tax	4613
Previous Year Income	125
Earnings per Share in Rs.	
Basic	10.31
Diluted	10.08

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

PRODUCT DESCRIPTION	:	STEEL ANGLES, SHAPES & U,I,H,L&T SECTIONS
ITEM CODE (IT CODE NO.)	:	72161000
PRODUCT DESCRIPTION	:	GALVANISED STEEL PRODUCTS
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 Second Annual General Meeting of the Company to be

held on the 27th day of February, 2009 and at any adjournment thereof.

Signed this the day of2009

Signature.....

Affix
Revenue
Stamp
Re 1.00

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

A PROXY NEED NOT BE A MEMBER

SUJANA TOWERS LIMITED

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

Regd Folio No./Client ID. :

No of shares held.....

ATTENDANCE SLIP (for 2nd 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 Second Annual General Meeting to be held on 27.02.2009 at Hotel Sitara Residency, Ameerpet, Hyderabad - 500 038 at 4.00 P.M.

To be signed at the time of handing over this slip

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

PRINTED MATTER
BOOK - POST



If undelivered, please return to:

SUJANA TOWERS LIMITED

Registered Office:

No.: 18, Nagarjuna Hills, Panjagutta, Hyderabad-500 082.

Ph: 040-23351882, 23351887

www.sujana.com