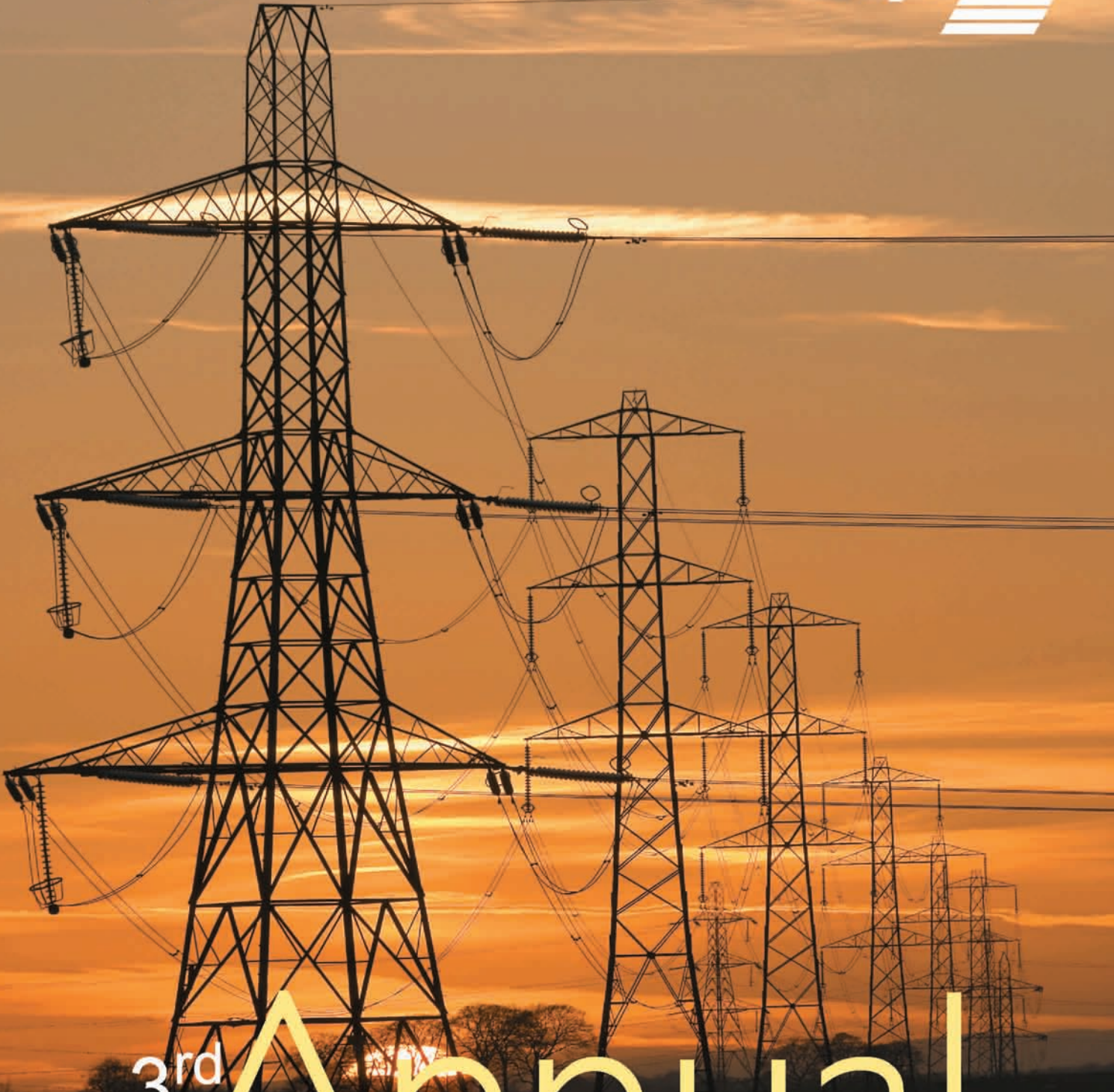


Power & telecom Infra
our power, our call



3rd

Annual

Sujana Towers Limited

Report

2008-09

BOARD OF DIRECTORS

CHAIRMAN	:	Shri Y.S. Chowdary
MANAGING DIRECTOR	:	Shri Y. Kamesh
DIRECTOR (TECHNICAL)	:	Shri K. Raghavaiah
DIRECTORS	:	Shri G. Srinivasa Raju Shri S. Hanumantha Rao Shri K.S. Purohit* Shri A.S. Anand Kumar* Shri M.V. Bhaskara Rao* Shri S. Venkatachalam* Shri L.V. Rao*

**Independent and Non-Executive Directors*

AUDIT COMMITTEE

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

MANAGEMENT COMMITTEE

:	Shri Y.S. Chowdary Shri Y. Kamesh Shri G. Srinivasa Raju Shri S. Hanumantha Rao Shri M.V. Bhaskara Rao
---	--

SHARE TRANSFER COMMITTEE

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

SHAREHOLDERS' GRIEVANCES COMMITTEE

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

REMUNERATION COMMITTEE

:	Shri A.S. Anand Kumar Shri K.S. Purohit Shri S. Hanumantha Rao
---	--

CHIEF FINANCIAL OFFICER

:	Shri S.S. Sastry
---	------------------

COMPANY SECRETARY

:	Shri L. Narasimha Rao
---	-----------------------

STATUTORY 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) Limited
- 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, I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
(ii) Plot No. 10, 11 and 12, Sy. No.172
I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
(iii) Plot No. 9, Sy. No.172/EE, U, UU
I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
(iv) Plot No.158 B & C, Sy. No.172/A
I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
(v) Sy. No. 321
Turkala Khanapur Village - 502 201
Hatnur Mandal, Medak Dist. A.P.
- LISTING** : **Equity**
Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/1
G Block, Bandra-kurla Complex
Bandra (E), Mumbai - 400 051

Global Depositary Receipts (GDRs)
Luxembourg Stock Exchange
Societe de la Bourse de Luxembourg
B.P. 165, L - 2011, Luxembourg
- REGISTRAR & SHARE TRANSFER AGENTS** : M/s. Bigshare Services (P) Limited
G-10, Left Wing, Amrutha Ville
Opp: Yashoda Hospital, Raj Bhavan Road
Somajiguda, Hyderabad - 500 082
Tel : +91-40-23374967

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of the Company will be held on Saturday, the 27th day of March, 2010 at "Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034 at 4.30 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, 2009 and the profit and loss account for the year ended 30th September, 2009 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.Srinivasa Raju, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K.S. Purohit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A.S. Anand Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors M/s R. Subramanian and Company, Chartered Accountants, Chennai are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED that Shri L.V. Rao, who was appointed as an Additional Director of the Company with effect from 29th July, 2009 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 : 30.01.2010

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 25-03-2010 (one day only).
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
5. The registration of share transfers and other related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 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.
7. The shareholders/members of the Company, who are having equity shares of the Company in physical form are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders/members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.
Some of the advantages to the investors who are having the shares in demat mode are :
 - a. There is no scope of any risk of loss, theft, damage or fraud and bad deliveries are eliminated;
 - b. Shareholders no longer have to wait for the

SUJANA TOWERS LIMITED

- shares transferred in his name. Delay is almost eliminated;
- c. This system totally eliminates risks associated with loss/fraudulent interception of share certificates in postal transit;
 - d. In the physical mode, shares may only be sold and bought at marketable lot. No such hassle is experienced in the demat mode;
 - e. Genuineness is always guaranteed in the demat mode.

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

Item No. 6:

Shri L.V. Rao was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 29th July, 2009, who holds office up to the date of the ensuing Annual General Meeting of the Company. He is 61 years old and is having a degree of Bachelor of Engineering (Electrical), from Osmania University, Hyderabad and a Gold Medalist. He is a Retired Executive Director of NTPC with excellent exposure to Power Generation and Power Trading. Held various positions in NTPC for three decades, including those of ED (South), ED (West), CEO of NTPC Power Trading Corporation and also as the ED of the APDERP program.

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. L.V. Rao as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company on any working day.

Therefore, your Directors recommend the resolution for your approval.

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

BY ORDER OF THE BOARD

Place : Hyderabad
Date : 30.01.2010

Y.S. CHOWDARY
CHAIRMAN

ADDITIONAL INFORMATION

Brief profile of Shri G. Srinivasa Raju, Director, who retires by rotation and is eligible for re-election.

Shri G. Srinivasa Raju has been on the Board of

Directors of the Company since incorporation i.e., 06.04.2006.

Shri G. Srinivasa Raju, is a Promoter-Director of Sujana Towers Limited. He is 46 years old and did his Bachelors Degree course in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. He also holds a Master Degree in Engineering from Roorke University. He has a rich and vast industrial experience, including the management of granite units. Mr. G. Srinivasa Raju has wide exposure to the steel products industry. He also possesses a deep understanding of all the aspects of business administration.

Shri G. Srinivasa Raju, presently holding the position of Directorship in Eleven other Companies.

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

Shri K.S. Purohit has been on the Board of Directors of the Company since 28.04.2007.

He is 80 years old and did his Bachelor Degree Course from Bombay University. He is a Certified Associate of Indian Institute of Bankers with specialization in Industrial Finance and Co-operation. He had worked in various Public and Private Sector Institutions for a period of more than 42 years in the field of banking and industrial finance. He is associated with Sujana since 1991.

Shri K.S. Purohit, presently holding the position of Directorship in Two other Companies.

Brief profile of Shri A.S. Anand Kumar, Director, who retires by rotation and is eligible for re-election.

Shri A.S. Anand Kumar has been on the Board of Directors of the Company since 28.04.2007.

He is 62 years old and did his Masters in Mathematics from Madras University. He is also a Certified Associate of Indian Institute of Bankers. He has a rich and vast experience in the field of finance and banking in India and Abroad for a period of 35 years. He had started his career as a Probationary Officer of State Bank of India in 1972 and later worked in senior positions in Merchant banking institutions like SBICAPs, Apple Credit, India Securities and Meghraj Financial Services in the areas of Corporate Fund raising and restructuring. At present he is working as a Managing Director of Value Vision Consultants Private Limited, Mumbai.

Shri A.S. Anand Kumar, presently holding the position of Directorship in Four other Companies.

DIRECTORS' REPORT

To the Members of Sujana Towers Limited,

Your Directors are pleased to place before you the Third Annual Report together with the Audited Accounts for the financial year ended 30th September, 2009.

1. Company's Performance

Your Directors hereby report that the Company has achieved a turnover of Rs. 69886.15 Lakhs upto 30.09.2009.

The highlights of the financial results are as follows:

(Rupees in Lakhs)

Particulars	Financial Year ended 30th September, 2009 consisting of 12 months (From 01.10.2008 to 30.09.2009)	Financial Period ended 30th September, 2008 consisting of 15 months (From 01-07-2007 to 30-09-2008)
Profit before Depreciation and Interest	9341.31	11553.51*
Interest	3066.41	2181.99
Depreciation	1343.89	1416.48
Profit before tax	4931.01	7955.04
Provision for		
- Current tax	1437.11	1152.70
- Deferred tax	295.65	2671.09**
- Fringe Benefit tax	2.56	8.14
Profit after tax	3195.69	4123.11
Dividend on CRPS	3.47	7.17
Profit carried to Balance Sheet	3192.22	4115.94

* 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. 69886.15 lakhs and earned profit after tax of Rs. 3195.69 lakhs. The Gross Block as on 30.09.2009 stood at Rs. 31203.31 lakhs and the Net Block as on 30.09.2009 stood at Rs. 25231.18 lakhs.

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

The operations of M/s. Digitech Business Systems Ltd. have commenced in a small way. It clocked a revenue of Rs. 1549.12 lakhs. The Unaudited Financial Statement upto 30.09.2009 are annexed from Page Nos. 63 to 64 and forming part of this Annual Report.

Telesuprecon Limited

M/s Telesuprecon Limited has branches in three countries, providing telecom infrastructure services to Telecom operators. The Telecom Business in Africa was slowdown and many contracts were kept pending due to Global recession. The business is on positive growth and the contracts are being revived. But the recession effect on the Company would continue in the first half year.

Presently Telesuprecon is executing telecom works in three countries; Malawi, Zambia and Kenya and plans to expand its operations into other neighboring African countries.

As per the law prevailing in Mauritius, financial statements of M/s Telesuprecon Limited are not required to be audited. Therefore, the Financial Statements upto 30.09.2009 are annexed from Page Nos. 53 to 61 and forming part of this Annual Report.

Sujana Transmissions Limited

Your Company has incorporated Sujana Transmissions Limited at Hyderabad. The operations of the subsidiary company are yet to commence. Therefore, audited accounts, Directors' Report, Auditors' Report and other related information of M/s. Sujana Transmissions Limited are not annexed.

The statement pursuant to Section 212 of the Companies Act, 1956 on the subsidiary Companies as on 30.09.2009 is given on Page No. 65

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 Transmissions sector on its own as well as through its subsidiary companies viz., M/s. Digitech Business Systems Limited, Hong Kong, M/s. Telesuprecon Limited, Mauritius and M/s. 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 G.Srinivasa Raju, Shri K.S. Purohit, Shri A.S Anand Kumar, Directors of the Company, are liable to retire by rotation in the forthcoming Annual General Meeting of the Members of the Company and being eligible offers themselves for reappointment.

Change in Composition of Board of Directors Since the date of last AGM held on 27.02.2009.

Shri L.V. Rao has been appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 29th July, 2009, who holds office up to the date of the ensuing Annual General Meeting of the Company. Notice has been received from a Member, under section 257 of the Companies Act, 1956, proposing the name of Shri L.V. Rao for appointment as Director liable to retire by rotation.

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

Shri R.K. Birla, Director of the Company had resigned from the Board of Directors of the Company with effect from 25.04.2009 and the same was approved by the Board at its Meeting held on 29.04.2009.

Shri K. Raghavaiah, Director has been appointed and redesignated as Director (Technical) on whole-time basis for a period of 2 (two) years w.e.f. 29-04-2009.

Shri Y.Kamesh has been appointed as Additional Director with effect from 29th July, 2009 on the Board of Directors of the Company, and also appointed as Managing Director of the Company for a period of 3 (three) years w.e.f .29th July, 2009.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That they have prepared the annual accounts on a going concern basis.

9. *Promoter Group Companies*

Pursuant to an 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 in the Annual Report of the Company.

10. *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 Companies website Board Members and Senior Management personnel have affirmed Compliance with the Code for the financial year 2008-09. A separate declaration to this effect is made out in the Corporate Governance 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 at a remuneration as fixed by the Board of Directors.

The Company has received a 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.

12. Personnel

Information in accordance with Section 217(2A) of the Companies Act, 1956 read with the Companies.

PARTICULARS FOR SECTION 217(2A) OF THE COMPANIES ACT, 1956

Sl. No.	Name	Age	Designation	Qualification	Remuneration	Exp. in Years	Date of Commencement of Employment	Previous - Employment Designation	Part / Full
1	Y. Kamesh	53 Years	MD	Post Graduate in Law, Public Administration and is a Fellow in Management	3600000	30 Years	1/Oct/08	Gem Cables & Conductors Ltd., MD	Full
2	K. Raghavaiah	69 Years	Director (Tech)	BE (Hons.), FIE	1265686	41 Years	29/Apr/09	BHPV	Part 5 months
3	V.S.R. Murthy	62 Years	Director (Fin.)	M Sc. MBA	800000	35 Years	3/Sep/07	Dhanlakshmi Bank, ED	Part 4 months
4	V.D. Naidu	50 Years	President	M Tech., IIT	3600000	26 Years	22/Oct/07	GTL	Full
5	S.S. Sastry	49 Years	CFO	ICWA	2646955	24 Years	21/Jan/09	Aster Teleservices Pvt. Ltd., CFO	Part 8 months
6	Sudhanshu B. Chhadha	45 Years	Head, Business Strategy and Finance	CA	3000000	23 Years	1/Oct/07	1. Sujana Metal Products - CFO 2. Shiv-Vani Oil and Gas Exploration Services Limited - VP (Corporate Strategy and Finance)	Full

13. Human Resource Management

One of the key resources of 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 systems.

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

The number of employees as on 30-09-2009 are 260.

14. Further issue of securities of the Company

a. Issue of Equity Shares on Preferential Basis

Pursuant to the special resolution passed by the members of the Company at the Extraordinary General Meeting held on 24th October, 2009, your Company had successfully completed the issue and allotment of 11,11,111 equity shares of Rs.5/- each at a premium of Rs. 31.00 per share to Non-Promoters.

SUJANA TOWERS LIMITED

b. Issue of Equity Shares through Global Depository Receipts (GDRs)

Pursuant to the special resolution passed by the members of the Company at the Extraordinary General Meeting held on 24th October, 2009, your Company had successfully completed the issue and allotment of 2,67,85,700 equity shares of Rs.5/- each at a premium of Rs. 47.416 per share underlying 53,75,140 Global Depository Receipts (GDRs) representing 5 equity shares per GDR, aggregating US\$ 30.00 Millions.

The Global Depository Receipts have been listed on the Luxembourg Stock Exchange. The listing applications for listing of underlying equity shares are under consideration of BSE and NSE.

c. Issue of Equity Shares and Convertible Warrants by way of Preferential Allotment

Pursuant to the special resolution passed by the members of the Company through Postal Ballot on 19.11.2009, your Company had successfully completed the issue and allotment of 32,00,000 equity shares of Rs.5/- each at a premium of Rs.50/- per share and 3,13,00,000 convertible warrants of Rs. 5/- each at a premium of Rs. 50/- per warrant. Out of the above 3,13,00,000 convertible warrants, 1,00,00,000 convertible warrants were also converted into 1,00,00,000 equity shares of Rs.5/- each on 23rd December, 2009 and listing process at BSE and NSE is under progress.

15. Listing of Company's Securities

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

16. 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).

17. Fixed Deposits

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

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

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

19 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.

20. Explanations to any qualifications in Auditors' Report

The following are the adverse remarks in the Auditors' Report dated 30.12.2009 and the Company's replies

Auditors' Comment	Company's Reply
ix (a) : However, delays have been observed in payment of Employees' Provident Fund and Employees' State Insurance and Tax Deducted at Source, Income Tax in certain months.	The Company has already taken necessary steps to make the payment in the stipulated time.
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 30-09-2009 for a period of more than six months from the date they became payable with the exception of the following: Current year : 'NIL' (Previous year Rs. 820.20 lacs)	The Company is taking necessary steps to remit the income tax during the current financial year 2009-10.

21. Acknowledgements

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

BY ORDER OF THE BOARD

Y.S.CHOWDARY
CHAIRMAN

PLACE : HYDERABAD
DATE : 30.01.2010

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 in the Zinc plant; Change into CFL lighting wherever feasible; install the photoswitches for switching off the yard and peripheral lighting; etc.

b) Additional investment and proposals if any, being implemented for reduction of consumption of energy -- NIL -

c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production: Not Applicable

d) Total energy consumption and energy consumption per unit of production: As per Form A.

B. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption: As per form B.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

f) Activities relating making efforts, export initiatives taken for exports to increase exports, growth, development of new export markets for products and services and export plans:

g) Total foreign exchange earned and used: Earned: Rs. 2323.29 lakhs and Used: Rs. 976.54 lakhs

SUJANA TOWERS LIMITED

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

	2008-09	2007-08
1. Electricity		
Units (KWH)	3031069	4274490
Total amount (Rs.)	13576130	18949179
Rate/units (Rs.)	4.48	4.43
2. Coal		
Quantity (Tonnes)	655.22	988.337
Total Cost (Rs.)	3188011	4045366
Average Rate (Rs.)	4865.56	4093.10
3. Furnace Oil		
Quantity (Ltrs.)	2112450	3033970
Total Cost (Rs.)	42543790	76421583
Average Rate (Rs.)	20.14	25.19

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

Electricity (KWH)	85.31
Coal (Tonnes)	0.02
Furnace Oil (Ltrs.)	63.89

FORM - B

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

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

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

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

3. **Future plan of Action**

The products under development are Steel Components for Heavy Engineering applications, Pipe & tube structures for Petroleum, Oil & Gas Sectors.

4. **Technology Absorption, Adaption and Innovation**

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

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.

B) INDUSTRY OVERVIEW

Telecom Sector in India

The Indian telecommunications industry is one of the fastest growing in the world and India is projected to become the second largest telecom market globally by 2010. India has become the second country in the world to have more than 100 million CDMA-based (code division multiple access) mobile phone subscribers after the US, which has 157 million CDMA users. Telecom operators on the popular GSM-based platform added 9.3 million subscribers in August 2009. India continues to be the world's fastest-growing mobile market and the total number of GSM users in the country has risen to 335.4 million as of August-end as per data released by the Cellular Operators' Association of India (COAI).

According to Business Monitor International, India is currently adding 8-10 million mobile subscribers every month. It is estimated that by mid 2012, around half the country's population will own a mobile phone. This would translate into 612 million mobile subscribers, accounting for a tele-density of around 51 per cent by 2012.

It is projected that the industry will generate revenues worth US\$ 43 billion in 2009-10. Moreover, according to a study conducted by Nokia, the communications sector is expected to emerge as the single largest component of the country's GDP with 15.4 per cent by 2014.

According to government projections, there will be over half a billion mobile phone subscribers by 2010. The massive expansion in mobile phone coverage has triggered off fast growth in the telecommunications infrastructure sector. According to industry estimates, about \$25 billion will be invested by telecom service providers over

the next two years, in building new infrastructure, or upgrading existing facilities. And a large chunk of this will be spent on expanding the network of mobile towers, from 125,000 at present to about 400,000 by 2010.

The industry expects robust demand for telecommunications infrastructure, especially in view of the new licences that have been awarded by the Government to over half a dozen companies to operate services in several circles. The two CDMA (code division multiple access) service providers - subsidiaries of the Tata Group and the Anil Dhirubhai Ambani Group (ADAG) - will soon roll-out their GSM (global system for mobile phone) services, after having been given the licences. Demand for mobile phone towers is set to rise, as a single operator, with an all-India licence, would need at least 10,000 towers, costing over \$600 million, to roll out the services.

With close to 10-15 mn net addition in cellular subscriber base every month, India is set to touch 600 mn subscribers by 2011. This means there are close to 1,50,000 more towers needed from the present base of roughly 2,58,000 in next two to three years. In addition, there is a strong possibility of an increase in the number of subscribers per tower.

Considering this, industry is gearing to witness immense competition and demand in the telecom tower space. According to industry experts, the competitive landscape for tower industry is still germinating and beginning to consolidate. In the next few years, substantial shift is expected in the overall structure of this sector.

For an operator, lower per subscriber profitability and higher cost of attaining full reach, as well as operating leverage required, justifies the need for infrastructure sharing in rural areas. With overall teledensity still below 40%, the growth pyramid of Indian telecom sector is not going to end any day soon. There is still a huge untapped market that is encouraging operators to compete in an aggressive manner. During the last fiscal, many industry players have indicated high tower requirements spanning across years for their 2G/3G rollouts. In order to achieve effective coverage, 3G operators will need one 3G BTS for every two 2G BTS.

SUJANA TOWERS LIMITED

The industry is heavily dependent upon the entry of new players and expansion plans of incumbent players. Industry analysis reflected that tower requirements of operators (with pan-India expansion plans and dual technology operators) are expected to be evenly split between their own towers, and towers from carrier-owned tower companies and independent ones.

Based on the assumptions mentioned above we have estimated the incremental demand over the next four years to be 126,000 towers. Each Tower will have an average weight of 20 M.T.

Transmission Sector in India

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

Likewise, the Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY), a rural electrification program to provide electricity to all villages by 2012, will provide ample opportunities for transmission equipment suppliers like your Company.

An investment of about Rs.71,000 crore is envisaged in transmission under the Central Sector. While Power Grid Corporation of India Ltd.(PGCIL) is expected to invest about Rs.50,000 crore, the balance Rs.21,000 crore is expected to be invested by private investors. Thus the outlook for the transmission line sector, in which your company operates, appears bright.

Further, implementation of Accelerated Power Development and Reforms Programme (APDRP) has also generated demand from SEBs / Transmission companies of states for their transmission and sub-transmission lines.

Central Government's thrust on Rural Electrification has also opened up huge opportunity for creation of new and reliable power distribution infrastructure, mainly from lesser electrified states through their SEBs / Distribution companies, under 'Rajiv Gandhi Grameen Vidhyutikaran Yojana'.

For transmission and distribution business, implementation of National Grid by PGCIL is expected to sustain the present demand surge in the medium term.

Further, implementation of APDRP by SEBs and thrust on rural electrification will also contribute to the demand.

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

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

Indian Steel Industry

While the demand for steel will continue to grow in traditional sectors such as infrastructure, construction, housing automotive, steel tubes and pipes, consumer durables, packaging, and ground transportation, specialised steel will be increasingly used in hi-tech engineering industries such as power generation, petrochemicals, fertilizers, etc. The new airports and railway metro projects will require a large amount of stainless steel.

According to an estimate, with the growing need for oil and gas transportation infrastructure, a US\$ 118 billion opportunity is waiting to be tapped by steel manufacturers in the next five years. Indian steelmakers are set to make the most of booming global demand for steel pipes and tubes with the government withdrawing the

10 per cent duty on the exports of these products. Indian steel companies are likely to get 19 per cent of the total global demand in the years to come.

C) PERFORMANCE

The Company has achieved a turnover of Rs.69886.15 lakhs with the production of 79358 MTs of re-rolled steel products, prefabricated and galvanized steel, consumption of bought out components of 65035 MTs against the installed capacity of 1,98,125 MTs and earned profit after tax of Rs. 3195.69 lakhs.

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

D) RISKS & CONCERNS

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

E) OUTLOOK AND OPPORTUNITIES

The business in Telecom sector is expected to grow across the India and Africa, due to demand triggered by the reforms / change in Government Policies. Your Company is expanding its operation in these continents either through JVs / Acquisition of similar business units for continuous growth in sales and profits.

In line with the change of the operating policies of the energy utilities in the country, your Company is metamorphosing itself into a total solution provider for the the fast growing Power Transmission Sector has already emerged as a respected EPC provider upto 400 kV (Quad) power Transmission Lines and is expecting to gain entry into the 765 kV level soon. This business segment is expected to be the key growth driver for your Company and holds exciting opportunities to grow and establish itself as a world class engineering contractor.

In this direction, your Company has added a state-of-the-art tower manufacturing plant at Khanapur, Medak dist., (which is, in all probability, the single largest manufacturing facility in the Country!) and this capacity addition will give your Company a huge competitive advantage. Your Company is also fortifying its R&D capabilities and is in the process of adding a 1200 kV Tower Testing facility soon. Your Company is having demonstrated capabilities to quickly adapt to the changing market conditions and sustain the projected growth in sales and profits.

F) ADEQUACY OF INTERNAL CONTROL

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

G) HUMAN RESOURCE AND INDUSTRIAL RELATIONS

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

H) CAUTIONARY STATEMENT

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

SUJANA TOWERS LIMITED

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 Alpha Ventures Limited, Cayman Islands
- 6 Asian Tide Enterprises Limited, Hong Kong
- 7 Digitech Business Systems Limited, Hong Kong
- 8 Empire Gulf FZE, UAE
- 9 Foster Infin and Trading Private Limited
- 10 Foster Ventures Pte Ltd., Singapore
- 11 Gamma Machinery & Equipment Pte. Limited, Singapore
- 12 Glade Steel Private Limited
- 13 Hestia Holdings Ltd., Mauritius
- 14 Nuance Holdings Limited, Hong Kong
- 15 Pac Ventures Pte. Limited, Singapore
- 16 Selene Holdings Ltd., Mauritius
- 17 Sujana Capital Services Limited
- 18 Sujana Energy Limited
- 19 Sujana Finance and Trading Private Limited
- 20 Sujana Holdings Limited, India
- 21 Sujana Holdings Limited, Dubai, UAE
- 22 Sujana Metal Products Limited
- 23 Sujana Power (Gangikondan) Limited
- 24 Sujana Power (Tuticorin) Limited
- 25 Sujana Projects Limited
- 26 Sujana Pumps and Motors Private Limited
- 27 Sujana Transmissions Limited
- 28 Sujana Universal Industries Limited
- 29 Sujana Ventures Pte Ltd., Singapore
- 30 Sun Trading Limited, Cayman Islands
- 31 Telesuprecon Limited, Mauritius
- 32 Yalamanchili Finance and Trading Private Limited
- 33 Yalamanchili Ventures Pte Ltd., Singapore
- 34 YS Consultancy Services Private Limited

* As per the Companies Act, 1956

M/s. G.B. Trading and Investments Private Limited, M/s. Lumbini Electricals Private Limited, M/s. Golkonda Finance and Trading Private Limited and M/s. Prime Infoinvest Limited were Non-Promoter shareholders in M/s. Sujana Steels Limited and during the process of merger (in the year 2006-07) with M/s. Sujana Metal Products Limited, these Companies were treated as Promoters' Group by Bombay Stock Exchange Limited.

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

The Company firmly believes and has consistently practiced good corporate governance. The Company's policy is reflected by the very values of transparency, professionalism and accountability which are fundamental to the Sujana Group. The Company constantly strives towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole.

The Company has its best corporate practices and also adopted the Code of Conduct in compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges. The matters covered in this code are of utmost importance to the Company, our shareholders, clients and business partners.

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 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 Ten (10) members, out of which (1) is Promoter and Non-Executive Chairman, one (1) is Non-Promoter Managing Director, one (1) is Non-Promoter Whole Time Director, two (2) are Promoters and Non-Executive Directors and Five (5) of them are Independent 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	4	Yes
2	Shri Y. Kamesh*	Non-Promoter & Executive Director	Managing Director	2	N.A.
3	Shri K. Raghavaiah**	Non-Promoter & Executive Director	Director (Technical)	5	Yes
4	Shri G. Srinivasa Raju	Promoter & Non-Executive Director	Director	5	No
5	Shri S. Hanumantha Rao	Promoter & Non-Executive Director	Director	6	Yes
6	Shri K.S. Purohit	Independent Director	Director	1	No
7	Shri A.S. Anand Kumar	Independent Director	Director	6	No
8	Shri M.V. Bhaskara Rao	Independent Director	Director	6	Yes
9	Sri S. Venkatachalam	Independent Director	Director	5	Yes
10	Shri L.V. Rao [#]	Independent Director	Director	2	N.A.
11	Shri R.K. Birla ^{##}	Promoter & Non-Executive Director	Director	3	Yes
12	Shri V.S.R. Murthy [@]	Non-Promoter & Executive Director	Director	3	N.A.

SUJANA TOWERS LIMITED

The necessary quorum was present at the meetings.

Change in Composition of Board of Directors Since the date of last AGM held on 27.02.2009.

*Shri Y.Kamesh has been appointed as Additional Director with effect from 29th July, 2009 on the Board of Directors of the Company, and also appointed as Managing Director of the Company for a period of 3 (three) years w.e.f .29th July, 2009.

**Shri K. Raghavaiah, Director has been appointed and redesignated as Director (Technical) on whole-time basis for a period of 2 (two) years w.e.f. 29-04-2009.

#Shri L.V. Rao has been appointed as Additional Director with effect from 29th July, 2009 on the Board of Directors of the Company.

##Shri R.K.Birla, Director of the Company had resigned from the Board of Directors of the Company with effect from 25.04.2009 and the same was approved by the Board at its Meeting held on 29.04.2009.

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

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

* including private limited companies

2. Board Procedure

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

Six Board Meetings were held since 30.09.2008 (Closure of last financial year) upto 30.09.2009 (Closure of this financial year under review) and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

25th November, 2008, 29th December, 2008, 29th January, 2009, 29th April, 2009, 29th July, 2009 and 22nd September, 2009.

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

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

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

III. Audit Committee

1. *Scope of the Audit Committee*

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

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information.
2. Reviewing, with the management, the annual financial statements before submission to the Board for approval.
3. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
4. Reviewing, with the Management, the statement of uses/application of funds raised through various issues.
5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department.
7. Discussion with internal auditors any significant findings and follow up there on.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
10. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, such other matters in connection with and incidental thereto in compliance with the listing agreements entered with the Stock Exchanges.

2. *Composition and Procedure of the Audit Committee*

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

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

SUJANA TOWERS LIMITED

The Audit Committee of your Company comprises of four (4) Independent and Non-Executive Directors and one (1) Promoter and Non-Executive Director.

SI No.	Name of the Member	Designation	No.of Meetings attended
1	Shri A.S. Anand Kumar	Member & Chairman	4
2	Shri K.S. Purohit	Member	1
3	Shri M.V. Bhaskara Rao	Member	4
4	Shri L.V. Rao*	Member	0
5	Shri S. Hanumantha Rao	Member	4

The necessary quorum was present at the meetings.

Change in Composition of Audit Committee since the date of last AGM held on 27.02.2009.

*The Audit Committee was reconstituted by co-opting Shri L.V. Rao, Independent and Non-Executive Director and the same was approved by the Board of Directors at their meeting held on 30.01.2010.

Four Meetings of the Audit Committee were held during the period from 1st October, 2008 to 30th September, 2009 (12 Months). The dates on which the Audit Committee Meetings were held were as follows :

29th Day of December, 2008, 29th Day of January, 2009, 29th Day of April, 2009 and 29th Day of July, 2009.

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.
- Finalize the perquisites package of the Managing Director within the overall ceiling

2. *Composition and other details of the Remuneration Committee*

The Remuneration Committee of your Company comprises of three (3) Non-Executive Independent Directors namely, Shri A.S. Anand Kumar, Shri K.S. Purohit and Shri S. Hanumantha Rao, Shri A.S. Anand Kumar, an Independent and Non-Executive Director, being the Chairman of the Committee.

The existing Committee comprises of

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

Two Remuneration Committee Meetings were held on 29th April, 2009 and 29th July, 2009 during the financial year 2008 - 2009.

3. *Remuneration paid to the following Executive Directors from the period 01-10-2008 to 30.09.2009.*

Sl. No.	Name Rs.	Salary Rs.	Commission/ Incentives Rs.	Deferred Benefits (Perquisites)	Others Rs.	Total
1	Shri Y. Kamesh (from 29.07.09)	6,29,032	Nil	Nil	Nil	6,29,032
2	Shri K. Raghavaiah (from 29.04.09)	12,74,194	Nil	Nil	Nil	12,74,194
3	Shri V.S.R. Murthy	7,82,684	Nil	Nil	Nil	7,82,684

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 2008-09 (In Rs.)
1	Shri K.S. Purohit	2,000
2	Shri A.S. Anand Kumar	19,000
3	Shri M.V. Bhaskara Rao	19,000
4	Shri S. Venkatachalam	11,000
5	Shri L.V. Rao	8,000
6	Shri K. Raghavaiah	3,000
	TOTAL	62,000

Rs. 4000/- will be paid as sitting fees to each Director 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.

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 M.V. Bhaskara Rao*	Member
4	Shri R.K. Birla*	Member

SUJANA TOWERS LIMITED

*The Shareholders' Grievance Committee was reconstituted by co-opting Shri M.V. Bhaskara Rao, Director in place Shri R.K. Birla, Director and the same was approved by the Board of Directors of the Company at their meeting held on 29-04-2009.

No Shareholders' Grievance Committee Meeting was held during the financial year 2008-2009 and all the grievances received by the Company from the Members of the Company has been resolved by the Share Transfer Committee.

3. *Name and Designation of the Compliance Officer*

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

4. *No. of Shareholders Complaints received so far during the year - 3 and all the Complaints were resolved*

Nature of queries/complaints	Received	Resolved	Un Resolved
Non-receipt of new Certificates	--	--	--
No. of requests for transmission	--	--	--
No of Requests for change of address	--	--	--
Revalidation of Dividend Warrants	--	--	--
Letters from SEBI & Stock Exchanges	1	1	--
Issue of Duplicate Share Certificates	--	--	--
Non receipt of Demat Confirmations/Rejections	1	1	--
Others	1	1	--
TOTAL	3	3	--

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 M.V. Bhaskara Rao. Shri G. Srinivasa Raju is the Chairman of the Committee. The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 1956. During the period under review 8 (Eight) meetings of Share Transfer Committee were held.

The Share Transfer Committee was reconstituted by co-opting Shri M.V. Bhaskara Rao, Director in place Shri R.K. Birla, Director and the same was approved by the Board of Directors of the Company at their meeting held on 29-04-2009.

VII. **Management Committee**

The Management Committee comprises of Shri Y.S. Chowdary, Shri Y. Kamesh, Shri G. Srinivasa Raju, Shri S.Hanumantha Rao and Shri M.V. Bhaskar Rao. The role, terms of reference and the authority and powers of the Management Committee are in conformity with the provisions of the Companies Act, 1956. During the year under review the Management Committee met fifteen (15) times.

The Management Committee was reconstituted by co-opting Shri Y. Kamesh, Managing Director and the same was approved by the Board of Directors of the Company at their meeting held on 29-07-2009.

VIII. General Meetings

The Financial Year 2008-2009 is the Third financial year of the Company.

The details of last two AGMs held are as below:

Sl. No.	No. of Annual General Meeting	Date of the Annual General Meeting	Venue	Time
1	1st	4th October, 2007	Naina Gardens, Kukatpally, Hyderabad - 500 072	11.30 A.M.
2	2nd	27th February, 2009	Hotel Sitara Residency, Ameerpet, Hyderabad - 500 038	4.00 P.M.

One Extraordinary General Meeting of the Company was held on 24.10.2009.

Details of Special Resolution passed in the last two Annual General Meetings

Sl No.	AGM for the year	Details of Special Resolution passed
1.	2006-2007	<ol style="list-style-type: none"> 1. 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. 2. 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. 3. 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. 4. 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. 5. 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. 6. To issue Foreign Currency Convertible Bonds (OFGBs) 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.
2.	2007-08	- NIL -

Details of Special Resolution passed in the Extraordinary General Meeting held on 24.10.2009

Sl.No.	EGM held on	Details of Special Resolution passed
1.	24th October, 2009	<ol style="list-style-type: none"> 1. Further issue of equity shares and/or convertible warrants of the Company under Section 81(1A) of the Companies Act, 1956. 2. Further issue of Global Depository Receipts (GDRs) under Section 81(1A) of the Companies Act, 1956. 3. Further issue of Foreign Currency Convertible Bonds (FCCBs) under Section 81(1A) of the Companies Act, 1956. 4. Appointment of Shri K. Raghavaiah as Director (Technical) of the Company for a period of 2 (two) years with effect from 29th April, 2009. 5. To make available for inspection of the records and registers to the members and others entitled under various sections of the Companies Act, 1956. 6. Appointment of Shri Y. Kamesh as Managing Director of the Company for a period of 3 (three) years with effect from 29th July, 2009.

SUJANA TOWERS LIMITED

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

However, the following are the special resolutions passed through postal ballot on 19.12.2009 and the details of voting pattern

S.No	Details of Resolution passed through postal ballot	Details of voting pattern	Person who conducted the postal ballot exercise.
1	Issue of further equity shares and/or convertible warrants of the Company under Section 81(1A) of the Companies Act, 1956.	No. of votes cast in favour of the Resolution - 3273652 No. of votes cast against the Resolution - 2400	Shri Y. Ravi Prasada Reddy Practicing Company Secretary FCS No.5783, CP No.5360
2	Increase in the borrowing powers of the Company.	No. of votes cast in favour of the Resolution - 3274977 No. of votes cast against the Resolution - 1075	

IX. Disclosures

1. *Materially Significant related party transactions*

There are no materially significant related party transactions i.e. transactions, material in nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the company at large except as mentioned in section 17 to the Annual Accounts for the period ended on 30.09.2009.

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 forthcoming AGM*

Brief profile of Shri G. Srinivasa Raju, Director, who retires by rotation and is eligible for re-election

Shri G. Srinivasa Raju has been on the Board of Directors of the Company since incorporation i.e., 06.04.2006.

Shri G. Srinivasa Raju, is a Promoter-Director of Sujana Towers Limited. He is 46 years old and did his Bachelors Degree course in Mechanical Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. He also holds a Master Degree in Engineering from Roorke University. He has a rich and vast industrial experience, including the management of granite units. Mr. G. Srinivasa Raju has wide exposure to the steel products industry. He also possesses a deep understanding of all the aspects of business administration. and he is associated with Sujana Group since 1991.

Shri G. Srinivasa Raju, presently holding the position of Directorship in eleven other Companies.

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

Shri K.S. Purohit has been on the Board of Directors of the Company since 28.04.2007.

He is 80 years old and did his Bachelor Degree Course from Bombay University. He is a Certified Associate of Indian Institute of Bankers with specialization in Industrial Finance and Co-operation. He had worked in various Public and Private Sector Institutions for a period of more than 42 years in the field of banking and industrial finance.

Shri K.S. Purohit, presently holding the position of Directorship in Two other Companies.

Brief profile of Shri A.S. Anand Kumar, Director, who retires by rotation and is eligible for re-election

Shri A.S. Anand Kumar has been on the Board of Directors of the Company since 28.04.2007.

He is 62 years old and did his Masters in Mathematics from Madras University. He is also a Certified Associate of Indian Institute of Bankers. He has a rich and vast experience in the field of finance and banking in India and Abroad for a period of 35 years. He had started his career as a Probationary Officer of State Bank of India in 1972 and later worked in senior positions in Merchant banking institutions like SBI CAPs, Apple Credit, India Securities and Meghraj Financial Services in the areas of Corporate Fund raising and restructuring. At present he is working as a Managing Director of Value Vision Consultants Private Limited, Mumbai.

Shri A.S. Anand Kumar, presently holding the position of Directorship in one other Companies.

Brief Profile of Shri L.V. Rao, Director

Shri L.V. Rao has been on the Board of Directors since 29th Day of July, 2009.

Shri L.V. Rao is 62 years old and is having a degree of Bachelor of Engineering (Electrical), from Osmania University, Hyderabad and a Gold Medalist. He is a Retired Executive Director of NTPC with excellent exposure to Power Generation and Power Trading. Held various positions in NTPC for three decades, including those of ED (South), ED (West), CEO of NTPC Power Trading Corporation and also as the ED of the APDERP program.

5. CEO & CFO Certification

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

X. Means of Communication

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

XI. 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 2008-09.

XII. General Shareholders Information

1. Details pursuant to 3rd AGM

1	Date	27th March, 2010
2	Time	4.30 P.M.
3	Venue	"Kohinoor", Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 34
4	Financial Year	2008-09
5	Book Closure Date	25th March, 2010 (One day only)
6	Dividend Payment Date	Not Applicable

SUJANA TOWERS LIMITED

2. Details pursuant to Listing of Securities

a. Listing of Securities

The Company shares are presently listed at the Bombay Stock Exchange Limited, the National Stock Exchange Limited and Luxembourg Stock Exchange.

b. Stock Code

BSE Scrip Code	:	532887
NSE Scrip Code	:	SUJANATOW
Luxembourg Stock Exchange Code	:	US86507U1007
Demat ISIN in NSDL and CDSL for equity shares	:	INE333I01010

The listing fee for the year 2009-10 payable to the Stock Exchanges was paid by the Company.

3. Market Price Data

The trading of equity shares in the Bombay Stock Exchange Limited for the period from 01.10.2008 to 30.09.2009.

Month	High	Low	Close	BSE Sensex (Closing)
Oct. 08	40.40	18.00	19.95	9788.06
Nov. 08	28.60	16.65	18.00	9092.72
Dec. 08	27.80	15.65	21.35	9647.31
Jan. 09	26.20	15.50	16.15	9424.24
Feb. 09	16.50	9.15	9.70	8891.61
Mar. 09	14.74	7.75	12.88	9708.50
Apr. 09	21.70	13.00	16.15	11403.25
May 09	33.05	15.85	33.05	14625.25
June 09	39.00	23.80	28.40	14493.84
July 09	29.90	19.75	26.25	15670.31
Aug. 09	35.05	23.50	35.05	15666.64
Sept. 09	42.10	32.65	42.10	17126.84

The trading of equity shares in the National Stock Exchange of India Limited for the period from 01.10.2008 to 30.09.2009.

Month	High	Low	Close	NIFTY (Closing)
Oct. 08	33.00	18.10	19.15	2885.60
Nov. 08	28.75	16.00	19.30	2755.10
Dec. 08	25.35	14.00	21.50	2959.15
Jan. 09	25.75	15.55	16.25	2874.80
Feb. 09	16.50	9.55	9.80	2763.65
Mar. 09	15.00	7.70	12.90	3020.95
Apr. 09	21.10	12.30	16.10	3473.95
May 09	33.25	15.70	33.25	4448.50
June 09	39.20	24.00	28.40	4291.10
July 09	29.45	19.85	26.30	4636.45
Aug. 09	35.20	23.35	35.20	4662.10
Sept. 09	42.05	32.30	42.05	5083.95

SUJANA TOWERS LIMITED

4. Share Transfer System

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

5. Dematerialization of Shares

98.08% of the Company's Paid-up capital has been dematerialized up to 30.09.2009 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	26374057	64
CDSL	14261871	34
Physical	797107	2
Total	41433035	100.00

6. Distribution of Shareholding

As on 30th September, 2009, the Distribution Shareholding was as follows:

Sl. No.	Range (Rs)	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
1	Up to - 5,000	7488838	18.07	20378	97.69
2	5,001 - 10,000	1649365	3.98	216	1.03
3	10,001 - 20,000	1702834	4.11	115	0.55
4	20,001 - 30,000	1065885	2.57	43	0.21
5	30,001 - 40,000	665608	1.61	19	0.10
6	40,001 - 50,000	419424	1.01	9	0.04
7	50,001-1,00,000	2546741	6.15	36	0.17
8	1,00,001 and above	25894340	62.50	43	0.21
	Total	41433035	100.00	20859	100.00

Shareholding pattern as on 30th September, 2009

Sl. No.	Category	No. of Holders	No. of Shares	% to Equity
1	Promoters and Promoters Group	18	14024760	33.84
2	Bodies Corporate	930	11589829	27.96
3	Public-Individuals	19901	11811298	28.49
4	FII's	4	2076083	5.01
5	Institutional Investors	6	1931065	4.65
	Total	20859	41433035	100.00

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

- 2,13,00,000 convertible warrants out of 3,13,00,000 convertible warrants allotted on 21.12.2009 are outstanding for conversion as on date and the said outstanding warrants are due for conversion on or before 20-06-2011 i.e., before expiry of 18 months from the date of allotment.
- 2,67,85,700 equity shares underlying 53,57,140 Global Depository Receipts (GDRs) are outstanding for conversion as on date.

8. Plant Locations

- (i) Plot No.128/A, I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
- (ii) Plot No. 10, 11 and 12, Sy. No.172
I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
- (iii) Plot No. 9, Sy. No.172/EE, U, UU
I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
- (iv) Plot No. 158 B & C, Sy. No.172/A
I.D.A. Bollaram - 502 325
Jinnaram Mandal, Medak Dist, A.P.
- (v) Sy. No. 321
Turkala Khanapur Village - 502 201
Hatnur Mandal, Medak Dist. A.P.

9. Address for Correspondence

Secretarial Department

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

Registered Office

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

Registrars and Share Transfer Agents

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

SUJANA TOWERS LIMITED

CEO & CFO CERTIFICATION

We, Y.Kamesh, Managing Director & Chief Executive Officer and Shri S.S. Sastry, Chief Finance Officer, to the best of our knowledge and belief, do hereby certify that

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

Y. Kamesh
Managing Director & Chief Executive Officer
Place: Hyderabad
Date: 29.12.2009

S.S. Sastry
Chief Finance Officer

Certificate on Corporate Governance

To

The Members of Sujana Towers Limited,

I have examined the compliance conditions of Corporate Governance by Sujana Towers Ltd., Hyderabad for the period ended 30th September 2009, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

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

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

Place: Hyderabad
Dated: 29.12.2009

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



AUDITORS' REPORT TO THE MEMBERS OF SUJANA TOWERS LIMITED

1. We have audited the attached Balance Sheet of M/s SUJANA TOWERS LIMITED (the Company) as at 30th September 2009 and also the Profit and Loss Account and Cash flow Statement of the Company for the year 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 those books.
 - c. The Balance Sheet, Profit and Loss Account and the dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent such standards are applicable to the Company.
 - e. On the basis of written representations / declaration received from the Directors and taken on record by the Board, and according to the information and explanations given to us, we report that none of the Directors of the Company is disqualified as on 30th September 2009 from being appointed as a Director in terms of Section 274(1)(g) 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, 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 2009 and
 - ii. In so far it relates to the Profit and Loss Account of the Profit of the Company for the year ended on that date
 - iii. In so far it relates to the Cash Flow Statement, the cash flows for the Company for the year ended on that date.

For M/s. R. Subramanian & Company
Chartered Accountants

N. Krishnamurthy
Partner
Membership No. 19339

Place: Hyderabad (Camp)
Dated: 29.12.2009

SUJANA TOWERS LIMITED
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 30.09.2009 and the maximum amount outstanding during the period aggregate to Rs. 1441.20 lakhs. (Previous year 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 our 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, wealth

tax, sales, service tax, customs duty, excise duty, Cess and any other statutory dues with the 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 30.09.2009 for a period of more than six months from the date they became payable with the exception of the following:-

Current Year - "NIL" (Previous year 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 30.09.2009 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, (previous year Rs. 938.90 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 not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. No debentures have been issued by the Company during the year.
- xx. The Company has not raised any money by way of Public Issue during the year.
- xxi. To the best of our knowledge and belief and according to information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For M/s. R. Subramanian & Company
Chartered Accountants

N. Krishnamurthy
Partner

Membership No. 19339

Place: Hyderabad (Camp)
Dated: 29.12.2009

SUJANA TOWERS LIMITED

BALANCE SHEET AS AT 30.09.2009

(Amount in Rupees)

	SCH REF	AS AT 30.09.2009	AS AT 30.09.2008
SOURCES OF FUNDS			
1. Shareholders Funds			
A) Equity Share Capital	1	207,165,175	207,165,175
B) Preference Share Capital		29,679,500	29,679,500
C) Compulsorily Convertible Warrants		—	135,300,000
D) Reserves and Surplus	2	<u>2,690,720,677</u>	<u>2,280,748,536</u>
2. Loan Funds			
Secured Loans	3	2,692,317,164	1,767,072,555
Unsecured Loans	4	80,467,152	30,467,152
3. Deferred Tax Liability			
		527,604,149	498,039,569
Total		<u>6,227,953,817</u>	<u>4,948,472,487</u>
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	3,120,331,024	2,643,404,097
Less: Depreciation		597,212,530	462,823,474
Net Block		2,523,118,494	2,180,580,623
Capital Work in Progress		863,943,950	162,759,407
		<u>3,387,062,444</u>	<u>2,343,340,030</u>
2. Investments			
	6	716,479	716,479
3. Current Assets, Loans & Advances			
I) Inventories	7	362,275,682	646,443,545
ii) Sundry Debtors	8	1,586,246,607	1,158,070,853
iii) Cash and Bank Balances	9	185,022,278	152,345,139
iv) Loans and Advances	10	1,080,608,979	966,412,564
		<u>3,214,153,545</u>	<u>2,923,272,101</u>
Less: Current Liabilities & Provisions	11	373,978,651	318,856,123
Net Current Assets		2,840,174,894	2,604,415,978
Total		<u>6,227,953,817</u>	<u>4,948,472,487</u>
Significant Accounting Policies & Notes on Accounts	17		

As per our report of even date

For and on behalf of the Board

M/s. R. Subramanian and Company

Chartered Accounts

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

N. Krishnamurthy

Partner

Membership No. 19339

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)

Date: 29.12.2009

Place: Hyderabad

Date: 29.12.2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30.09.2009

(Amount in Rupees)

	SCH REF	FOR THE YEAR ENDED 30.09.09 (12 Months)	FOR THE PERIOD ENDED 30.09.08 (15 Months)
INCOME			
Net Sales		6,988,614,534	7,477,431,959
Other Income	12	22,159,299	48,229,063
Increase/(Decrease) In Stock	13	(267,457,245)	281,746,211
Total (A)		<u><u>6,743,316,588</u></u>	<u><u>7,807,407,233</u></u>
EXPENDITURE			
Raw Materials Consumed / Cost of Goods Traded	14	5,476,261,753	6,146,900,985
Manufacturing, Selling and Administration Expenses	15	333,451,714	517,695,131
Financial Charges	16	306,641,079	218,198,579
Depreciation	5	134,389,056	141,647,675
Total (B)		<u><u>6,250,743,603</u></u>	<u><u>7,024,442,370</u></u>
PROFIT BEFORE TAXATION		492,572,985	782,964,863
Provision For			
i) Current Tax		143,711,221	115,269,840
ii) Deferred Tax		29,564,580	205,572,304
iii) Fringe Benefit Tax		255,929	814,056
NET PROFIT AFTER TAXATION		319,041,255	461,308,663
Prior Period Adjustments			
i) Income/(Expenditure) - Net		528,121	12,539,432
ii) Previous Year Deferred Tax		—	61,536,311
Profit Brought Forward From Previous Period		804,531,955	392,937,595
Dividend on Crps (Including Dividend Distribution Tax Thereon #)		347,235	717,425
PROFIT CARRIED TO BALANCE SHEET		1,123,754,096	804,531,954
Earnings Per Share			
Basic		7.70	10.31
Diluted		7.70	10.08
Significant Accounting Policies & Notes On Accounts		17	

As per our report of even date

For and on behalf of the Board

M/s. R.Subramanian and Company
Chartered Accounts

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

N. Krishnamurthy
Partner
Membership No. 19339

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)
Date: 29.12.2009

Place: Hyderabad
Date: 29.12.2009

SUJANA TOWERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2009	AS AT 30.09.2008
SCHEDULE NO : 1		
Share Capital		
<i>Authorised Share Capital</i>		
9,80,00,000 (8,80,00,000) Equity Shares of Rs.5/- Each	490,000,000	440,000,000
6,00,000 (6,00,000) Cumulative Redeemable Preference Shares of Rs 100/-each	60,000,000	60,000,000
Total	<u>550,000,000</u>	<u>500,000,000</u>
<i>Issued, Subscribed and Paid Up Capital</i>		
41433035 (4,14,33,035) Equity Shares of Rs.5/- Each	207,165,175	207,165,175
296795 (2,96,795) 1% Cumulative Redeemable Preference Shares (Crps) of Rs. 100 Each	29,679,500	29,679,500
Refer Note II (1) and II (2) of Schedule 17	<u>29,679,500</u>	<u>29,679,500</u>
SCHEDULE NO : 2		
Reserves And Surplus		
Capital Reserve	1,166,966,581	1,076,216,581
Securities Premium Account	400,000,000	400,000,000
Profit and Loss Account	1,123,754,096	804,531,955
Total	<u>2,690,720,677</u>	<u>2,280,748,536</u>
SCHEDULE NO : 3		
Secured Loans [Refer Note II(3) and II(4) of Schedule 17]		
<i>From Banks</i>		
A. Optionally Convertible Debentures	—	80,000,000
B. Term Loans from Banks	188,779,452	218,366,968
C. Term Loans from Financial Institutions	881,800,000	250,000,000
D. Working Capital Loans from Banks	1,211,204,327	950,467,522
E. Bills Discounting Facility From Financial Institutions	397,406,220	249,920,919
F. Hire Purchase Loans from Banks	8,534,508	8,928,782
G. Interest Accrued and Due on Secured Loans	4,592,656	9,388,364
Total	<u>2,692,317,164</u>	<u>1,767,072,555</u>
SCHEDULE NO : 4		
Unsecured Loans [Refer Note II (5) of Schedule 17]		
Deferred Sales Tax Liability	30,467,152	30,467,152
Inter Corporate Deposit	50,000,000	—
Total	<u>80,467,152</u>	<u>30,467,152</u>

SCHEDULE NO : 5
Fixed Assets as at 30.09.2009

(Amount in Rupees)

Description	Gross Block			Accumulated Depreciation				Net Block		
	Opening Gross Block as on 01.10.2008	Additions during the Year	Deletions during the Year	Closing Gross Block as on 30.09.2009	Acc. Dep. As on 01.10.2008	Depreciation for the Year	Depreciation withdrawn	Acc. Dep. as on 30.09.2009	Net Block as on 30.09.2009	Net Block as on 30.09.2008
Land	723,811	182,068,000	—	182,791,811	—	—	—	—	182,791,811	723,811
Building	49,769,650	13,625,186	—	63,394,836	5,268,243	2,064,512	—	7,332,755	56,062,081	44,501,407
Plant & Machinery	2,547,084,476	274,167,864	—	2,821,252,340	445,904,138	128,514,304	—	574,418,442	2,246,833,898	2,101,180,338
Workshop Equipments	723,410	—	—	723,410	175,545	34,362	—	209,907	513,503	547,865
Weighing Machine	1,133,871	—	—	1,133,871	395,183	53,859	—	449,042	684,829	738,688
Electrical Installations	12,445,092	772,600	—	13,217,692	2,174,848	609,290	—	2,784,138	10,433,554	10,270,244
Furniture & Fixtures	2,649,256	424,778	—	3,074,034	182,878	269,084	—	451,762	2,622,272	2,466,578
Office Equipments	1,858,240	533,265	—	2,391,505	477,915	87,082	—	564,997	1,826,508	1,380,325
Vehicles	18,374,574	4,877,059	—	23,251,633	5,042,450	1,621,460	—	6,663,910	16,587,723	13,332,124
Computers	8,641,718	458,174	—	9,099,892	3,202,474	1,135,103	—	4,337,577	4,762,315	5,499,244
Total	2,643,404,098	476,926,926	—	3,120,331,024	462,823,474	134,389,056	—	597,212,530	2,523,118,494	2,180,560,624
Previous Year	1,662,716,167	1,003,003,848	22,315,919	2,643,404,096	324,340,362	141,647,675	3,164,564	462,823,473	2,180,560,623	1,338,375,805
Capital Work in Progress	162,759,407	701,184,543	—	863,943,950	—	—	—	—	863,943,950	162,759,407

SUJANA TOWERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2009	AS AT 30.09.2008
SCHEDULE NO : 6		
Investments		
(A) Long Term, Unquoted, Non Trade & at Cost		
(i) Investment In Subsidiaries		
5000 (5000) Equity Shares of USD 1 Each Fully Paid Up In Digitech Business Systems Limited	200,478	200,478
510 (510) Equity Shares of USD 1 Each Fully Paid Up In Telesuprecon Ltd	22,001	22,001
49400(49400) Equity Shares of Rs.10/- Each Fully Paid Up In Sujana Transmissions Limited	494,000	494,000
Total	<u><u>716,479</u></u>	<u><u>716,479</u></u>
SCHEDULE NO : 7		
Inventories		
(As Taken, Valued and Certified by The Management)		
Raw Material	26,454,727	43,477,973
Stock in Process	243,343,271	464,030,555
Finished Goods	62,998,929	109,768,890
Stores, Spares & Consumables	29,478,755	29,166,127
Total	<u><u>362,275,682</u></u>	<u><u>646,443,545</u></u>
SCHEDULE NO : 8		
Sundry Debtors		
(Unsecured and Considered Good)		
Debts Outstanding for a Period Exceeding Six Months	140,410,074	68,051,463
Other Debts	1,445,836,533	1,090,019,390
Total	<u><u>1,586,246,607</u></u>	<u><u>1,158,070,853</u></u>
SCHEDULE NO : 9		
Cash & Bank Balances		
1. Cash on Hand	4,094,533	1,211,271
2. Bank Balances With Scheduled Banks:		
A. Current Account	12,378,719	5,954,728
B. Margin Money Account	168,549,026	145,179,140
Total	<u><u>185,022,278</u></u>	<u><u>152,345,139</u></u>
SCHEDULE NO : 10		
Loans & Advances (Unsecured Considered Good)		
1. Advances to Suppliers	407,602,763	440,529,886
2. Deposits with Excise and other Government "Authorities"	50,225,399	88,190,650
3. Advances for Busines Acquisition	438,410,000	361,410,000
4. Loans to Subsidiary Company	144,120,000	46,940,000
5. Advances Recoverable In Cash or in kind or " Value to be Received"	40,250,817	29,342,028
Total	<u><u>1,080,608,979</u></u>	<u><u>966,412,564</u></u>

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	AS AT 30.09.2009	AS AT 30.09.2008
SCHEDULE NO : 11		
Current Liabilities & Provisions		
A) Current Liabilities		
1. Sundry Creditors	205,827,047	135,791,109
2. Advances from Customers	24,562,548	27,316,738
3. Other Liabilities	22,047,398	23,564,085
Sub - Total (A)	<u>252,436,993</u>	<u>186,671,932</u>
B) Provisions		
1. Provision for Dividends on Crps (Including "Dividend Distribution Tax")	1,001,610	654,375
2. Provision for Income-Tax	114,126,389	126,902,942
3. Provision for Fringe Benefit Tax	1,069,985	814,056
4. Provision for Gratuity	3,858,590	3,077,640
5. Provision for Leave Encashment	1,485,084	735,178
Sub - Total (B)	<u>121,541,658</u>	<u>132,184,191</u>
Total (A+B)	<u>373,978,651</u>	<u>318,856,123</u>
SCHEDULE NO : 12		
Other Income		
1. Interest Earned	17,014,969	14,195,842
2. Miscellaneous Income	5,144,330	34,033,221
Total	<u>22,159,299</u>	<u>48,229,063</u>
SCHEDULE NO : 13		
Increase/(Decrease) in Stock		
Opening Stock		
Stock in Process	464,030,555	157,108,860
Finished Goods	109,768,890	134,944,374
Total	<u>573,799,445</u>	<u>292,053,234</u>
Closing Stock		
Stock In Process	243,343,271	464,030,555
Finished Goods	62,998,929	109,768,890
	<u>306,342,200</u>	<u>573,799,445</u>
Increase/(Decrease) in Stock	<u>(267,457,245)</u>	<u>281,746,211</u>
SCHEDULE NO : 14		
Raw Materials Consumed / Cost of Goods Traded		
Opening Stock of Raw Materials	43,477,973	3,239,373
Add: Purchase of Materials	5,459,238,507	6,187,139,585
	<u>5,502,716,480</u>	<u>6,190,378,958</u>
Less: Closing Stock	26,454,727	43,477,973
Raw Materials Consumed / Cost of Goods Traded	<u>5,476,261,753</u>	<u>6,146,900,985</u>

SUJANA TOWERS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	FOR THE YEAR ENDED 30.09.2009	FOR THE PERIOD ENDED 30.09.2008
SCHEDULE NO : 15		
Manufacturing, Selling and Administration Expenditure		
Manufacturing Expenses	68,341,131	113,410,515
Power Charges / Electricity Charges	58,001,867	94,402,109
Factory Maintance	4,302,213	3,368,984
Advertisement Expences & Sales Promotion	1,411,195	860,708
Audit Fees	1,000,000	600,000
Bad Debts Written Off	—	7,430
Travelling and Conveyance	4,387,997	3,373,120
Travelling Expenses - Directors	288,331	841,367
Donations	1,003,000	130,000
Rent, Rate & Taxes	3,560,129	4,513,163
Insurance others	1,596,469	1,276,953
Misc. Expences	14,455,550	2,218,038
Postage & Telegrams and Telephones	1,729,986	1,561,088
Printing and Stationary	1,732,168	1,641,091
Professional and Consultancy	2,844,575	10,847,738
Security Charges	3,086,785	3,099,300
Seminars	7,000	2,252,952
Staff Welfare	1,510,822	2,252,223
Repairs and Maintenance		
- Buildings	321,588	460,387
- Plant & Machinery	690,365	1,904,397
- Others	1,771,991	2,504,171
Consumption of Consumabales	90,887,432	190,447,416
Salaries and Wages	62,655,879	51,579,819
Employer Contribution to E.S.I & PF	2,428,889	2,453,145
Foreign Exchange Loss	2,832,112	19,102,350
Directors Remuneration	2,604,240	2,586,667
Total	333,451,714	517,695,131
SCHEDULE NO : 16		
Financial Charges		
Interest on Working Capital & Financial Charges	229,171,036	145,913,912
Interest on Term Loans	72,734,025	57,888,783
Interest on Others	4,736,018	14,395,884
Total	306,641,079	218,198,579

Schedule 17 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 30TH SEPTEMBER 2009

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 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.

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 recognized 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.

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.

SUJANA TOWERS LIMITED

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. 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.

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. 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.

II. OTHER NOTES

1. Share Capital

Share Capital Includes 3,89,33,035 (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 (25,00,000) Equity Shares of Rs.5/- each Fully Paid Up issued on a preferential basis to the Promoters Group during the previous 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

The option for conversion of pending 55,00,000 Equity Share Warrants has not been exercised by the warrant holders, consequent to that, the amount received on account of Equity Share Warrants, has been forfeited and the forfeited amount has been transferred to Capital Reserve A/c.

3. Optionally Convertible Debentures

The Optionally Fully Convertible Debentures allotted to IFCI Ltd. pursuant to the discharge of Rs. 800 lakhs due by the company have not been converted into Equity Shares and the amount outstanding to IFCI Ltd. has been converted into Short Term Rupee Loan carrying the same interest rate (i.e., 13%) applicable to Convertible Debentures. The outstanding amount of Short Term Rupee Loan as on 30.09.2009 is Rs. 600 lakhs. The Short Term Rupee Loan and the interest thereon is secured by first charge on the entire assets of the Company both present and future ranking pari-passu 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. 787.79 lakhs (previous year 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 Guarantee of Sri. Y.S. Chowdary Chairman, Sri G. Srinivasa Raju, 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. 500.00 Lakhs (previous year 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, Pari pasu second charge on the Current assets of the company and Personal Guarantees of Sri Y.S. Chowdary and Sri. G. Srinivasa Raju.
- 4.3. Revolving Short term loan of Rs. 25 Crores (Previous year 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, Serilingampatty Mandal, Ranga Reddy District, Hyderabad owned by Heritage Infra Developers Limited, and further secured by Pledge of shares of the Company, and Sujana Metal products Limited. These facilities are further secured by personal guarantee of Sri. Y.S. Chowdary Chairman of the company.
- 4.4 Term Loan of Rs. 63.18 Crores (Previous Year - Nil) from L & T Infrastructure Finance Company Limited, an interest thereon is secured by exclusive charge on the entire assets of Khanapur project, which is yet to commence the production. Limit Sanctioned for the project by L&T Infrastructure Finance Company Limited is Rs. 100 Crores and company has availed Rs. 63.18 Crores till 30.09.2009 and the balance Rs. 36.72 Crores is yet to be disbursed by L&T Infrastructure for the project.
- 4.5 Working Capital Loans from IDBI bank, Karnataka Bank, UCO Bank and Working Capital Term Loan from Exim Bank is secured First Charge on the Current assets of the Company ranking pari-pasu with the other working capital lenders. 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 and G. Srinivasa Raju.
- 4.6 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 D mat form of the Company and Bartronics India Limited. These facilities are further secured by the Personal Guarantees of Sri Y.S.Chowdary and Sri. G.Srinivasa Raju.
- 4.7 Hire Purchase loans are secured by the assets purchased out of the said loan.

5. Unsecured Loans

Unsecured Loans represents 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

(Amount Rupees in Lakhs)

Particulars	As at 30.09.2009	As at 30.09.2008
Bank Guarantees availed from Banks	4115.78	3417.88
Letter of Credit issued by Banks	6094.64	1993.71
Corporate Guarantee issued in favour of Sujana Holdings Limited, Dubai and Alpha Ventures Limited	960.80	938.80
Claims against the Company not acknowledged as Debts	1.71	NIL

7. Capital Commitments

Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for, net of advances is Rs. 6361.57 lakhs(As on 30th September 2008 Rs. 653 lakhs)

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 30.09.2009	As at 30.09.2008
Deferred Tax Liability		
- On account of timing differences relating to depreciation on Fixed Assets (A)	5276.04	4980.40
Deferred Tax Assets (B)	NIL	NIL
Net Deferred Tax Liability (A-B)	5276.04	4980.40
Deferred tax liability charged to profit and loss account. (Including previous years Deferred tax liability Rs.615.36 lacs)	295.64	2671.09

9. Retirement Benefits

Change in Defined Benefit Obligations (DBO) during the year ended as on 31st March 2009

(Rupees in Lakhs)

Particulars	Gratuity		Leave Encashment	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Present Value of Obligation as at the Beginning of the year	30.78	23.90	7.35	5.00
Acquisition Adjustment	—	—	—	—
Interest Cost	2.46	2.39	0.59	0.50
Past Service Cost	—	—	—	—
Current Service Cost	7.81	6.87	7.50	2.35
Curtailement Cost / (Credit)	—	—	—	—
Settlement Cost / (Credit)	—	—	—	—
Benefits paid	—	(0.56)	(2.29)	(0.23)
Actuarial (Gain) / Loss on Obligations	(2.46)	(1.83)	1.70	(0.27)
Present Value of Obligation as at the End of the year	38.59	30.78	14.85	7.35

10. Segment Reporting

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

SUJANA TOWERS LIMITED

11. Lease Commitments

The Company has finance Lease agreements for vehicles, the minimum lease rental outstanding as on 30th September 2009 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 30.09.2009	As at 30.09.2008	As at 30.09.2009	As at 30.09.2008	As at 30.09.2009	As at 30.09.2008
Within one year	56.73	41.12	6.72	6.15	50.01	34.97
Latter than one year and not latter than five years	37.66	59.73	2.32	5.42	35.34	54.31
Latter than five years	NIL	NIL	NIL	NIL	NIL	NIL
Total	94.39	98.85	9.04	11.57	85.35	89.28

12. 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	Subsidiary
2	Telesuprecon Limited	Companies
3	Digitech Business Systems Limited	(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 Private Limited	
9	Glade Steels Private Limited	
10	Sujana Holding Limited	
11	Aplha Ventures Limited	
12	Gamma Machinery and Equipment Private Limited	
13	Shri Y.S Chowdary	Key Managerial Personnel
14	Shri S. Hanumantha Rao	
15	Shri V.S.R. Murthy	
16	Shri K.Raghavaiah	
17	Shri R.K. Birla	
18	Shri Y.Kamesh	

Transactions during the year with Related Parties

(Rupees in Lakhs)

Sl. No	Nature of the transactions	Subsidiaries		Associates		Key managerial personnel		Total	
		30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08
a	Assets Purchased & CWIP	—	—	80.01	0.13	—	—	80.01	0.13
b	Investment made	—	7.16	—	—	—	—	—	7.16
c	Loans given	971.80	469.40	—	—	—	—	971.80	469.40
d	Loans Outstanding	1441.20	469.40	—	—	—	—	1441.20	469.40
e	Purchases made	—	—	5,202.12	6821.67	—	—	5,202.12	6821.67
f	Sales	—	—	856.49	3457.37	—	—	856.49	3457.37
g	Guarantees issued / Restated	—	—	22.00	938.80	—	—	—	938.80
h	Guarantees outstanding	—	—	960.80	938.80	—	—	960.80	938.80
i	Issue of convertible equity warrants pending conversion into equity shares	—	—	—	1353.00	—	—	—	1353.00
j	Forfeiture of convertible equity warrants	—	—	1353.00	—	—	—	1353.00	—
k	Issue of shares of preferential allotment (including premium thereon)	—	—	—	4125.00	—	—	—	4125.00
l	Remuneration to Key Management Personnel	—	—	—	—	26.04	26.03	26.04	26.03
m	Sundry Debtors as at 30-09-2009	—	—	1,066.42	654.03	—	—	1,066.42	654.03

13 Managerial Remuneration

(Rupees in Lakhs)

Particulars	Period Ended 30.09.2009	Period ended 30.09.2008
Managing and Whole time Directors' remuneration		
Salary and Allowances	26.04	25.86
Contribution to Provident Fund	0.02	0.10
Directors' Sitting Fees	0.69	0.07
Total	26.75	26.03

Managerial and whole time Director's Remuneration consists of remuneration amounting to Rs. 7.79 lakh (Previous year 25.86) paid to Mr. V. S. R. Murthy, Director (Finance) for the period from Oct. - 08 to Jan -09 and remuneration amounting to Rs. 12.66 lakhs (Previous year NIL) paid to Mr. K. Raghavaiah, Director (Technical) for the period from April - 09 to Sept. - 09 and remuneration amounting to Rs. 5.59 lakhs (Previous year NIL) paid to Mr. Y. Kamesh, Managing Director for the period from Sept. - 09 to Oct. - 09.

SUJANA TOWERS LIMITED

14 Payment to Auditors

(Rupees in Lakhs)

Particulars	Year Ended 30.09.2009	Period ended 30.09.2008
a) For Statutory Audit	10.00	6.00
b) For Tax Audit	NIL	NIL
c) For Certification (Previous Auditors)	NIL	0.60
Total	10.00	6.60

15 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.

16 Earnings per Share (EPS)

Particulars	Rs/Nos	As at 30.09.2009	As at 30.09.2008
Profit attributable to equity shareholders-(A)	Rs.	3192.22	4115.94
Weighted average number of equity shares outstanding during the year used as denominator for calculating EPS (B)	Nos.	41433035	39934130
Nominal value of equity shares	Rs.	5.00	5.00
Basic earnings per share (A/B) #	Rs.	7.70	10.31
Diluted Earnings Per share #	Rs.	7.70	10.08

Not annualized

17. The provision for Current Tax, Deferred Tax, and Fringe Benefit tax has been made based on the Computation of Income prepared by the company.
18. Confirmation of balances from certain Creditors, Debtors, Loans and Advances, other Liabilities and certain Bank accounts are yet to be received.
19. Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act.
 - a) Information on licensed and installed capacity :
(As Certified by the Management)

Particulars	30th September 2009		30th September 2008	
	Licensed	Installed	Licensed	Installed#
Re-Rolled Steel Products (MTs)	N.A.	70,000	N.A.	87,500
Pre fabricated & Galvanised Steel(MTs)	N.A.	128,125	N.A.	160,156

Installed capacity re-stated for 15 months

b) Production :

Particulars	30th September 2009	30th September 2008
Re-Rolled Steel Products and Pre fabricated & Galvanised Steel (MT's)	79,358	104,593

c) Turnover, Opening & Closing Stocks

Particulars	30.09.2009		30.09.2008	
	MTs.	Rs.	MTs.	Rs.
Turnover				
Tower Parts (Traded -52595 MT)	103,097	5,258,694,082	89,682	4,218,659,876
Iron and Steel Products (Traded - 12440 MT)	41,892	1,158,588,254	67,649	2,358,858,984
Tower Erection charges	—	84,128,925	—	255,991,449
M S Scrap	2,088	35,775,947	4,543	80,383,384
Cable	—	49,315,788	—	—
Others	—	402,111,538	—	563,538,266
Total		6,988,614,534		7,477,431,959
Opening stock				
Tower Parts	2	111,803	67	2,909,518
Iron and Steel Products	3,105	107,892,413	3,509	90,295,912
MS.Scrap	77	1,764,675	44	559,552
Others	—	—	—	41,179,392
Total		109,768,891		134,944,374
Closing stock				
Tower Parts	409	20,280,815	2	111,803
Iron and Steel Products	646	17,414,436	3,105	107,892,413
Chilled Bars (Nos.)	108	18,921,600	—	—
MS.Scrap	108	1,840,505	77	1,764,675
Cable	—	4,541,573	—	—
Others	—	—	—	—
Total		62,998,929		109,768,891

d) (i) Value of Materials Consumed during the period:-

Particulars	2008-2009			2007-2008		
	MTs.	Value in Rs.	%	MTs.	Value in Rs.	%
Iron and Steel						
(Indigenous)	31,488	692,007,443	100	68,744	1,984,019,818	100
(Imported)	—	—	—	—	—	—
Tower Parts						
Indigenous	36,689	1,274,818,538	100	35,732	1,382,691,332	100
Imported	—	—	—	—	—	—
Others						
Indigenous	—	98,741,227	100	—	2,506,002	100
Imported	—	—	—	—	—	—
Total		2,065,567,208			3,369,217,152	

SUJANA TOWERS LIMITED

ii) Value of bought material consumed

Particulars	30.09.2009			30.09.2008		
	MTs.	Value in Rs.	%	MTs.	Value in Rs.	%
Iron and Steel (Indigenous)	12,440	365,795,888	100	13,148	336,152,200	100
Iron and Steel (Imported)	—	—	—	—	—	—
Tower Parts						
Indigenous	52,595	2,902,797,857	100	48,736	2,161,784,709	94
Imported	—	—	100	3,893	140,285,690	6
Others						
Indigenous	—	142,100,800	100	61,155,865	44	—
Imported	—	—	—	78,305,369	56	—
Total		3,410,694,545			2,777,683,833	

(iii) Value of Consumables, Stores and Spares consumed during the period *(Amount In Rupees)*

Particulars	30.09.2009	%	30.09.2008	%
Consumables(Indigenous)	90,887,432	100	190,447,416	100
Consumables(Imported)	—	—	—	—
Total	90,887,432	100	190,447,416	100

e) Expenditure in foreign currency (Accrual basis) *(Rupees in Lakhs)*

Particulars	2008- 2009	2007- 2008
Travelling Expenses	4.74	8.77
Seminars	—	22.44

f) Investment in equity and loans in foreign currency *(Rupees in Lakhs)*

Particulars	2008- 2009	2007- 2008
Equity	—	2.22
Loans given to Subsidiary	971.80	469.40

g) Earning in Foreign Currency (Cash and Accrual basis) *(Rupees in Lakhs)*

Particulars	2008- 2009	2007- 2008
FOB Value of Exports	2,323.29	10,487.82

h) CIF value of Imports: *(Rupees in Lakhs)*

Particulars	2008- 2009	2007- 2008
Raw Materials and Traded Goods	NIL	1,484
Stores and Spares and Consumables	NIL	NIL
Capital Goods	NIL	NIL

20. Previous Period figures have been regrouped and reclassified wherever necessary in conforming with the Current Period's classification.
21. Previous year figures are for 15 months and are not comparable with the current period figures, as the current period figures are for 12 months.
22. 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

M/s. R.Subramanian and Company
Chartered Accounts

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

N. Krishnamurthy
Partner
Membership No. 19339

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)
Date: 29.12.2009

Place: Hyderabad
Date: 29.12.2009

SUJANA TOWERS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Rupees in Lakhs)

I REGISTRATION DETAILS

Registration No / Company Identification No. CIN : L40109AP 2006PLC 049743
Balance Sheet 30.09.2009

II CAPITAL RAISED DURING THE YEAR

Public Issue NIL
Rights Issue NIL
Bonus Issue NIL
Private Placement NIL

III POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS

Total Liabilities 62279.54
Total Assets 62279.54

Sources of Funds

Paid up Capital 2071.65
Cumulative Redeemable Preference Share Capital 296.80
Reserves & Surplus 26907.21
Deferred Tax Liability 5276.04
Secured Loans 26923.17
Unsecured Loans 804.67

Application of Funds

Net Fixed Assets 25231.18
Work in Progress 8639.44
Investments 7.16
Net Current Assets 28401.75

IV PERFORMANCE OF THE COMPANY

Total Income 67433.17
Total Expenditure 62507.44
Profit before Tax 4925.73
Profit after Tax 3190.41
Previous Year Income 5.28
Earnings per Share in Rs.
Basic 7.70
Diluted 7.70

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2009

(Rupees in Lakhs)

	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	4931.01	7955.04
ADJUSTED FOR DEPRECIATION	1343.89	1416.48
DIVIDEND DISTRIBUTION TAX	—	0.63
PROVISION FOR GRATUITY AND EARNED LEAVE	15.31	38.13
FINANCIAL CHARGES	3066.41	2181.99
INTEREST EARNED & OTHER INCOME	(221.59)	(482.29)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9135.03	11109.97
ADJUSTED FOR		
DECREASE/(INCREASE) IN INVENTORIES	2841.68	(2215.26)
DECREASE/(INCREASE) IN DEBTORS	(4281.76)	(3494.75)
DECREASE/(INCREASE) IN LOANS AND ADVANCES	(1141.97)	(8168.13)
(DECREASE)/INCREASE IN CURRENT LIABILITIES	657.65	(2673.66)
CASH GENERATED FROM OPERATIONS	7210.63	(5441.83)
OTHER INCOME	51.44	459.97
TAXES PAID	(1564.87)	(453.31)
CASH FROM OPERATING ACTIVITIES (A)	5697.20	(5435.18)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(INCREASE) IN FIXED ASSETS	(4769.27)	(10030.04)
SALE OF FIXED ASSETS	—	203.00
INCREASE IN CAPITAL WORK IN PROGRESS	(7011.85)	(28.94)
INCREASE IN INVESTMENTS	—	(7.16)
INTEREST RECEIVED	170.15	—
CASH USED IN INVESTING ACTIVITIES (B)	(11610.97)	(9863.14)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
(DECREASE) / INCREASE IN LONG TERM BORROWINGS	9252.45	13566.22
(DECREASE) / INCREASE IN UNSECURED LOANS	500.00	—
(DECREASE) / INCREASE IN SHAREHOLDERS FUNDS	(445.50)	5403.00
INTEREST PAID	(3066.41)	(2181.99)
NET CASH FROM FINANCING ACTIVITIES (C)	6240.54	16787.23
D. NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)	326.77	1488.92
CASH AND CASH EQUIVALENT AT BEGINNING	1523.45	34.53
E. CASH AND CASH EQUIVALENT AS ON 30.09.09	1850.22	1523.45

As per our report of even date

For and on behalf of the Board

M/s. R. Subramanian and Company
Chartered Accounts

N. Krishnamurthy
Partner
Membership No. 19339

Place: Hyderabad (Camp)
Date: 29.12.2009

Y. Kamesh
Managing Director

S. S. Sastry
Chief Financial Officer

S. Hanumantha Rao
Director

L. Narasimha Rao
Company Secretary

Place: Hyderabad
Date: 29.12.2009

**TELESUPRECON LTD.
(REF.NO.6/2001/9298)**

**REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the accounts for the period from 1st October 2008 to 30th September 2009.

Activities/Business Carried on by the Company

The main business of the Company i.e business of general wholesale trade is not yet started.

Accounts

As per the law prevailing in Mauritius, financial statements of the Company are not required to be audited. Therefore the accounts i.e., Balance Sheet, Profit and Loss Account and notes prepared by the Directors of the Company are attached to the report.

Director

Directors of the Company during the year were:

1. Mr. Asheesh Dattatrya Akleker
2. Mr. Shireesh B Betgiri
3. Mr. S. Hanumantha Rao
4. Mr. G. Srinivasa Raju
5. Mr. V. Damodara Naidu
6. Mr. V. Ramesh
7. Mr. P.V. Ramana Reddy
8. Mr. D. Rajagopalan

Dividend

No dividend has been made or recommended for the period under report.

Reserve

No transfer to reserve has been made or proposed for the period.

For and on behalf of the Board

Place : Mauritius
Date : 30.09.2009

V. Damodara Naidu
Director

S. Hanumantha Rao
Director



TELESUPRECON LIMITED

Balance Sheet as at 30 September 2009

(Amount in Rupees)

ASSETS

Non Current Assets

Property Plant & Equipment	152,574,031
	152,574,031

Current Assets

Stocks & Work In Progress	36,619,209
Accounts Receivable	425,238,779
Short Term Investments	
Taxation Account	1,193,701
Cash at Bank	23,773,842
Cash on Hand	1,554,332
	488,379,864

Total Assets **640,953,895**

EQUITY & LIABILITIES

Capital & Reserves

Share Capital	48,040
Profit & Loss Account	(169,970,906)
Exchange diff	(4,298,001)
	(172,643,493)

Non Current Liabilities

Deffered Tax	10,479,298
Long Term Loan	641,090,387
	651,569,685

Current Liabilities

Hire Purchase Obligations	
Accounts Payable & Accruals	140,877,481
Bank Overdraft	17,537,235
Short Term Loan	3,612,984
	162,027,701

Total Equity & Liabilities **640,953,895**

For and on behalf of the Board

Place : Mauritius
Date : 30.09.2009

V. Damodara Naidu
Director

S. Hanumantha Rao
Director

TELESUPRECON LIMITED

Profit and Loss Account For the period ended 30 September 2009

(Amount in Rupees)

	As at 30 September 2009
Turnover	660,233,417
Cost of Sales	(466,419,542)
Gross Profit	193,813,875
Other Income	(20,911,380)
	171,487,870
Administration Expenses	(92,976,665)
Sales & Distribution	(35,888,743)
Other Operating Expenses	(48,094,263)
(Loss) From Operations	(5,471,801)
Finance Costs	(68,468,718)
(Loss) Before Tax	(73,940,519)
Tax	(9,573,348)
(Loss) After Tax	(83,513,867)
Dividends Proposed And Paid	
Profit & Loss Account 1 October 2008	(86,457,040)
Prior Year Adjustments	
Profit & Loss Account 30 September 2009	(169,970,906)

Note:

(1) All the figures are rounded up to the nearest Indian Rupees.

1. Accounting Policies

The principal accounting policies adopted in the preparation of these statements are set out below.

a. Basis of Preparation

The Financial Statements are prepared under the historical cost convention, and are in compliance with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in accounting policy (b) below

b. New and Revised Standards

In 2009, the following new and revised standard and Interpretation became effective for the first time and have been adopted.

IAS 1-Presentation of financial Statements (revised 2007) become effective from 1st January 2009 and has been adopted. This has resulted in the addition of a Statement of Comprehensive Income and Changes in the presentation of the Statement of changes in Equity.

The following new and revised standards and interpretations have also become effective for the first time and have been adopted by the company where relevant to its operations

IAS 23 (amendment)-Borrowing costs

IFRS 7 (amendment)-Improving Disclosures about Financial Instruments

The Adoption of the above has had no material effect on the company's accounting policies & disclosures.

c. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. Critical accounting estimates and assumptions

In the process of applying the company's accounting policies, the company's management makes certain estimates and assumptions about future events. In practice, the estimated and assumed results would differ from the actual results. Such estimates and assumptions, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

2. Work in Progress and Inventories

The company values its work in Progress based on the percentage of completion method. The use of this method requires the company's management to estimate the percentage of completion of its work in progress as at the balance sheet date.

If the percentage of completion differs by 10% from the estimate assumed by the management, then the inventory valuation would not change

d. Depreciation

Depreciation is calculated to write off the cost of Property, Plant & Equipment on a reducing balance basis, over the expected useful lives of the fixed assets concerned. A reasonable estimate for depreciation has been provided by the Directors for the period.

e. Turnover

Turnover represents the Invoiced value of goods and Services supplied by the Company, net of Value Added Tax and Trade Discounts.

SUJANA TOWERS LIMITED

f. Interest and other income

Interest and other Income is recognised as it accrues and is charged to the Income Statement.

g. Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

h. Cash and cash equivalents

For the purposes of cashflow statement, cash and cash equivalents comprise cash in hand, deposit held at call with banks, and investments in money market instruments, net of bank overdrafts.

i. Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

j. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement under finance costs.

Borrowings are classified as current liabilities unless the company has unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

k. Borrowing costs

Borrowing costs that are incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

l. Share capital

Ordinary shares are classified as equity.

m. Taxation

No Taxation is Provided as under the terms of Registration under the International Companies Act 1994 (now Financial Services Development Act 2001), the Company is Exempt from Tax on Income accrued and Earned both within Mauritius and through Overseas Branches.

However overseas branches will suffer Tax at Local Prevailing rates on Profit as adjusted for Tax purposes. To this extent only, taxes suffered are disclosed.

n. Retention

Retention Monies withheld by Customers on ongoing Contracts are taken as other Debtors in the Financial Statements.

(Amount in Rupees)

2. Turnover

Telesuprecon Ltd-Mauritius Head Office	483,657,919
Telesuprecon Ltd-Kenya Branch	15,845,023
Telesuprecon Ltd-Zambia Branch	131,628,714
Telesuprecon Ltd-Malawi Branch	29,101,766
	660,233,422

3. Direct Costs	<i>(Amount in Rupees)</i>
Opening Stock-Materials	423,621
Accommodation	579,137
Business Development	268,406
Blowing Activity	10,072,821
Compressor Hire Charges	1,156,493
Construction Material	27,385,138
Construction Stores & Consumables	18,178,904
Civil Works	12,978,268
Crane Hire	20,143
Direct Costs	(14,661,524)
Drum Testing	238,485
Fuel & Lubricants	13,766,327
Freight Charges	9,646,593
Gas	66,490
GI Pipes	2,083,203
Installation & Commissioning	23,516
Insurance	3,568,872
Light & Water	393,026
Transport	3,552,322
Rent	5,929,893
Sand & Cement	254,179
Trade Samples	4,889
Man Holes	2,124,909
Machinery Running Expenses	196,841
Motor Vehicle Expenses	13,055,453
Other Site Expenses	2,229,592
Postage & Telephone	161,875
Repairs & Maintenance	1,772,185
Salaries & Wages	95,354,512
Site Expenses	3,851,091
Splicing Activity	141,145
Sub-Contractors	49,686,373
Survey Expenses	96,069
Travelling Expenses	9,243,975
Trenching & Excavation	74,849,152
Tender Fees	(60,184)
Demurrage	845,744
Purchases	154,722,027
Exchange diff on Purchases, closing & Opening stocks for the period	(2,113,761)
	502,086,199
Closing Stocks & Work In Progress	(35,666,658)
	466,419,542
4 Other Income	
Gain/(Loss) on Exchange	(20,979,149)
Miscellaneous Income	(28,796)
Interest Received	96,565
	(20,911,380)

SUJANA TOWERS LIMITED

5 Administration Expenses	<i>(Amount in Rupees)</i>
Auditors Remuneration	2,852,271
Consultancy fees	364,436
Computer Expenses	86,438
Agency Fees	4,646,332
Directors Fees	(267,526)
Directors Salary	5,218
Education Expenses	164,270
General Expenses	(717,011)
Hire Charges	1,434,327
Insurance	(432,818)
Legal & Professional Expenses	549,765
Licences	1,325
Light & Water	1,581,505
Newspapers & Periodicals	117,385
Office tea & Entertainment	(74,522)
Postage & Telephone	13,639,103
Printing & Stationery	870,637
Recruitment Expenses	169,208
Rent & Rates	14,219,302
Repairs & Maintenance	777,100
Salaries & Wages	41,910,024
Secretarial Fees	186,564
Security Expenses	2,461,015
Staff Medical	443,751
Staff training	(5,329)
Staff Uniforms	71,379
Staff Welfare	2,625,973
Subscriptions	16,566
Training Levy	—
Work Permit	6,046,952
	93,743,641
6 Sales & Distribution Expenses	
Advertisement/Sales Promotion	(636,039)
Bad debts	245,623
Business Development Expenses	11,021,609
Commissions	2,131,147
Motor Vehicle Running	4,979,293
Transport Charges	4,263,603
Travelling and Accommodation	14,179,558
	36,184,794

7	Other Operating Expenses	<i>(Amount in Rupees)</i>
	Depreciation	47,435,953
	Donations	97,682
	Formation Expenses	684,704
	Penalty Charges	272,660
		48,490,999
8	Finance Costs	
	Bank Charges & Interest	4,032,435
	Bank Negotiation Fees	—
	Hire Purchase Interest	172,104
	Loan Interest	64,828,985
		69,033,525
9	Share of Operating Loss	
	Telesuprecon Ltd-Mauritius Head Office	106,813,733
	Telesuprecon Ltd-Kenya Branch	(15,423,245)
	Telesuprecon Ltd-Zambia Branch	27,379,401
	Telesuprecon Ltd-Malawi Branch	(34,567,106)
		84,202,783
10	Property, Plant & Equipment (Refer to page 9)	
11	Stocks & Work In Progress	
	Work In Progress	36,619,209
		36,619,209
12	Accounts Receivable	
	Trade Debtors	362,847,050
	Other Debtors	8,967,061
	Advance Payments	48,955,476
	Related Parties (Note 21)	4,469,192
		425,238,779
13	Taxation Account	
	Tax paid	874,623
	With holding Tax paid	319,079
	Balance as at 30th June 2009	1,193,701
14	Share Capital	
	Authorised:	
	100,000 Ordinary shares of 1USD each	4,804,000
		4,804,000
	Issued and fully paid up	
	1,000 Ordinary shares of 1USD each	48,040
		48,040

SUJANA TOWERS LIMITED

15 Deferred Tax

(Amount in Rupees)

Deferred Tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%.

The movement on the deferred tax account is as follows:

At beginning of the year	(10,479,298)
Income statements	—
(Credits)/Charge - Note 8	—
Balance as at 31/8/2008	(10,479,298)

Deferred Tax Liabilities and Deferred Tax debits in the profit and loss account are attributable to the following items:

Deferred Tax Liability .	
Accelerated tax Depreciation	9,484,505
Net Deferred tax Liability	9,484,505

16 Loans

Loan - Others	641,090,387
	641,090,387

The Loan of US\$ 10,250,000 was Secured from
 -Adroit International Holdings Ltd- US \$ 10,000,000
 - Intra Asia Trading PTE Ltd - US \$ 250,000 this amounts were advanced to the Branches on Accounts of both Reimbursement of Expenses as well as Loans.

Both Loans are

-Unsecured

-Attract an Interest at the Rate of 12%. p.a.

-Redemable on 15 Days notice on Recall

17 Accounts Payable & Accruals

Trade Creditors	48,625,211
Other Creditors	2,193,550
Accrued Expenses	89,007,058
Related Parties (Note 21)	1,051,663
	140,877,481

18 Bank Overdraft

Equity Bank Limited	1,753,095
African Banking Corporation Ltd	15,784,140
	17,537,235

19 Short Term Loan

Others	3,612,984
	3,612,984



20	Cash and Cash Equivalents At 30th June 2009	<i>(Amount in Rupees)</i>
	Cash on Hand	1,554,332
	Cash at Bank	23,773,842
	Bank Overdraft	(17,537,235)
	USD	7,790,939

21 Related Party Transactions

In the normal Course of business, a number of Transactions are made with Related Parties. This include Loans & Cost Reimbursements.

The Following are details of amounts due from/to related parties.

Adroit International Holdings Limited	480,400,000
Asia pacific Ventures	114,575,400
Intra Asia Trading PTE Limited	12,010,000
Sujana Towers Limited	1,051,663
	608,037,063

22 Financial Risk Management Objectives And Policies

The Company's activities expose it to a variety of financial risks including credit and liquidity risks, interest rates and changes in market prices of the Company's products and services. The Company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Company does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit record.

23 Currency

The financial statements are reported to the nearest United States Dollars

24 Incorporation

The Company is incorporated in Mauritius with Branch Offices in Kenya, Malawi and Zambia.

25 The Company has Operating Branches in

- Kenya-Active
- Zambia-Active
- Malawi-Active

26 Telesuprecon Limited Contracts carried out in the Kenya Branch

- Working Capital was Provided to the Kenya Branch in terms of Funds required to Execute the Optic Fibre Project on "Reimbursement" basis only. In this Particular Project Telesuprecon Limited was appointed as a Sub-Contractor by Huawei Technology Investment Company Limited. (Hong Kong).

These amounts are limited Exclusively to the Expenses incurred in Kenya to execute Sub-Contract work negotiated by the Company with Huawei Technology Investment company Limited (Hong Kong), which is the Main Contractor.

- Machinery & Equipment and Such other Assets which were required as necessary to Execute the Work were purchased in Kenya, but have been reflected in the Financial Statements of Telesuprecon Limited.

For and on behalf of the Board

Place : Mauritius
Date : 30.09.2009

V. Damodara Naidu
Director

S. Hanumantha Rao
Director

SUJANA TOWERS LIMITED

DIGITECH BUSINESS SYTEMS LIMITED
(REF.NO.1120821)
(wholly owned subsidiary of Sujana Towers Limited)

**REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

REPORT OF THE DIRECTOR

The Director has pleasure in submitting their report together with the accounts for the period ended 30th September 2009.

Activities/Business Carried on by the Company

The main business of the Company is general wholesale trade.

Accounts

The financial statements i.e., Balance Sheet, Profit and Loss Account and notes prepared by the Directors of the Company are attached to the report.

Director

Directors of the Company during the year were:

Mr. Ramesh Venkateswaran.

Dividend

No dividend has been made or recommended for the period under report.

Reserve

No transfer to reserve has been made or proposed for the period.

For and on behalf of the Board

Ramesh Venkatswaran
Director

Place : Hong Kong
Date : 30.09.2009



DIGITECH BUSINESS SYSTEMS LIMITED
(wholly owned subsidiary of Sujana Towers Limited)

Provisional Balance Sheet As At 30th September 2009

(Amount in Rupees)

	2009
ASSETS	
Current Assets	
Bank of India - USD Account	1,232
Bank of India - HKD Account	6,535
HSBC - USD Account	8,370
Debtors	152,219,496
Total Assets	152,235,633
LIABILITIES	
Current Liabilities	9,608
Creditors	151,610,637
EQUITY	
Share Capital	240,200
Profit & Loss A/c	
Balance at Beginning	(233,671)
Profit for the Year	608,859
Balance at Closing	375,188
Total Liabilities	152,235,633

Complied from books of accounts and certified by the management

For and on behalf of the Board

Ramesh Venkateswaran
Director

Place: Hong Kong
Date: 30.09.2009

SUJANA TOWERS LIMITED

DIGITECH BUSINESS SYSTEMS LIMITED

(wholly owned subsidiary of Sujana Towers Limited)

Provisional Profit and Loss Account For the period ended 30 September 2009

(Amount in Rupees)

	2009
Income	154,912,805
Cost of Sales	154,293,173
Gross Profit/(Loss)	619,632
Expenses	
Incorporation Cost /tee	—
Secretarial Fee	—
Printing & Stationery	—
Handling Fee	—
Sundry Expenses	—
Bank Charges	—
O/D Interest	—
Exchange Difference	—
	—
Operating profit/(loss)	619,632
Add: Other Income	—
Less: Other Expenses	—
Net Profit/(Loss)	619,632
Complied from books of accounts and certified by the management	

For and on behalf of the Board

Ramesh Venkateswaran
Director

Place: Hong Kong
Date: 30.09.2009

Notes:

Sundry expenses include fee paid for business registration certificate, increase in authorised share capital,



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

Sl. No.	Particulars	SUJANA TRANSMISSIONS LTD	TELE - SUPRECON LTD	DIGITECH BUSINESS SYSTEMS LTD
1	Financial year of the Company	01-04-2009 to 31-03-2010	01-01-2009 to 31-12-2009	01-01-2009 to 31-12-2009
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. 494,000	Rs. 22,001	Rs. 200,478
	(b) Extent of holding	98.8%	51%	100%
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	(2,037.97)	6.19
	(b) for the previous financial years since it became a Subsidiary	NIL	NIL	NIL

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., 30.09.2009 in respect of Sujana Transmissions Limited, Digitech Business Systems Ltd.
- 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., 30.09.2009) 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

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

Place: Hyderabad
Date: 29.12.2009

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

INTENTIONALLY KEPT BLANK

Consolidated Accounts for the Period Ended 30.09.2009

(consisting of (a) audited annual accounts of your Company for the year ended 30th September 2009 (b) unaudited financial statements of M/s. Telesuprecon Limited for the period ended 30th September 2009 (c) unaudited financial statements of M/s. Digitech Business Systems Limited for the period ended 30th September 2009)

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 2009 and the consolidated Profit and Loss Account and also consolidated Cash Flow Statement for the the year 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. 6472.54 lacks as at 30th September 2009, total revenues of Rs. 8152.44 lakhs and total net cash flows of Rs. (371.03) lakhs 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 2009 include the unaudited financial statements of the following entities, consolidated on the basis of management certification:
 - a. Telesuprecon Limited
 - b. Sujana Transmissions 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 2009.
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 year ended 30th September 2009. This has also resulted in issuance of a disclaimer of opinion on the Consolidated Financial Statements for the year ended 30th September 2009.
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 2009.
 - 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 year 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 year then ended.

For M/s. R. Subramanian & Company
Chartered Accountants

N. Krishnamurthy
Partner

Membership No. 19339

Place: Hyderabad (Camp)
Dated: 29.12.2009

**CONSOLIDATED BALANCE SHEET AS AT 30.09.2009***(Amount in Rupees)*

	SCH REF	AS AT 30.09.2009	AS AT 30.09.2008
SOURCES OF FUNDS			
1. Shareholders Funds			
A) Equity Share Capital	1	207,165,175	207,165,175
B) Preference Share Capital		29,679,500	29,679,500
C) Compulsorily Convertible Warrants		—	135,300,000
D) Reserves and Surplus	2	2,516,903,439	2,293,885,223
2. Minority Interest		—	12,869,891
3. Loan Funds			
Secured Loans	3	2,713,467,399	1,767,072,555
Unsecured Loans	4	577,437,541	245,931,469
4. Deferred Tax Liability		538,083,450	498,039,569
Total		6,582,736,503	5,189,943,382
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	3,336,382,565	2,739,137,288
Less: Depreciation		660,690,040	462,823,473
Net Block		2,675,692,525	2,276,313,815
Capital Work in Progress		863,943,950	162,759,407
		3,539,636,475	2,439,073,222
2. Investments	6		
3. Current Assets, Loans & Advances			
i) Inventories	7	397,322,255	657,475,478
ii) Sundry Debtors	8	2,163,704,894	1,297,789,734
iii) Cash and Bank Balances	9	210,839,292	215,264,558
iv) Loans and Advances	10	937,682,677	921,038,670
		3,709,549,117	3,091,568,440
Less: Current Liabilities & Provisions	11	666,476,389	340,725,580
Net Current Assets		3,043,072,728	2,750,842,860
Misc. Exp. to the Extent Not Written-off		27,300	27,300
Total		6,582,736,503	5,189,943,382
Significant Accounting Policies & Notes on Accounts	17		

As per our report of even date

For and on behalf of the Board

M/s. R.Subramanian and Company
Chartered AccountsY. Kamesh
Managing DirectorS. Hanumantha Rao
DirectorN. Krishnamurthy
Partner
Membership No. 19339S. S. Sastry
Chief Financial OfficerL. Narasimha Rao
Company SecretaryPlace: Hyderabad (Camp)
Date: 29.12.2009Place: Hyderabad
Date: 29.12.2009

SUJANA TOWERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30.09.09

(Amount in Rupees)

	SCH. REF.	For the Year Ended 30.09.09 (12 Months)	For the Period Ended 30.09.08 (15 Months)
INCOME			
Net Sales		7,803,760,780	7,544,967,213
Other Income	12	22,255,857	48,256,711
Increase/(Decrease) in Stock	13	(278,489,178)	292,778,144
Total (A)		7,547,527,459	7,886,002,068
EXPENDITURE			
Raw Materials Consumed	14	5,967,214,673	6,184,243,023
Manufacturing, Selling and Administration Expenses	15	619,773,555	545,262,714
Financial Charges	16	375,674,590	218,446,000
Depreciation	5	181,783,591	147,057,886
Total (B)		7,144,446,408	7,095,009,623
PROFIT BEFORE TAXATION		403,081,051	790,992,445
Provision For			
i) Current Tax		143,711,221	117,746,629
ii) Deferred Tax		39,049,069	205,572,304
iii) Fringe Benefit Tax		255,929	814,056
NET PROFIT AFTER TAXATION		220,064,832	466,859,456
Prior Period Adjustments			
i) Income/(Expenditure) - Net		(103,673,336)	12,539,432
ii) Previous Year Tax		—	—
iii) Previous Year Deferred Tax		—	61,536,311
NET PROFIT BEFORE MINORITY INTEREST		116,391,495	417,862,577
MINORITY INTEREST		(12,870,430)	2,831,765
NET PROFIT AFTER MINORITY INTEREST		129,261,925	415,030,812
Profit Brought forward from Previous Period		807,250,982	392,937,595
Dividend on CRPS (Including Dividend Distribution Tax Thereon #)		347,235	717,425
PROFIT CARRIED TO BALANCE SHEET		936,165,672	807,250,982
Earnings per Share			
Basic		3.11	10.37
Diluted		3.11	10.16
Significant Accounting Policies & Notes On Accounts	17		

As per our report of even date

For and on behalf of the Board

M/s. R.Subramanian and Company
Chartered Accounts

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

N. Krishnamurthy
Partner
Membership No. 19339

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)
Date: 29.12.2009

Place: Hyderabad
Date: 29.12.2009

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS (Amount in Rupees)

	For the Year Ended 30.09.2009	For the Period Ended 30.09.2008
SCHEDULE NO : 1		
Share Capital		
<i>Authorised Share Capital</i>		
9,80,00,000 (8,80,00,000) Equity Shares of Rs.5/- Each	490,000,000	440,000,000
6,00,00,000 (6,00,000) Cumulative Redeemable Preference Shares of Rs 100/-each	60,000,000	60,000,000
	<u>550,000,000</u>	<u>500,000,000</u>
 Issued,Subscribed and Paid Up Capital		
41433035 (4,14,33,035) Equity Shares of Rs.5/- Each	207,165,175	207,165,175
296795 (2,96,795) 1% Cumulative Redeemable Preference Shares (Crps) of Rs. 100 Each	29,679,500	29,679,500
Refer Note II (1) and II (2) of Schedule 17	<u>29,679,500</u>	<u>29,679,500</u>
 SCHEDULE NO : 2		
Reserves and Surplus		
Capital Reserve	1,177,384,242	1,086,634,241
Share Premium	400,000,000	400,000,000
Foreign Currency Translation Reserve	3,353,525	—
Profit and Loss Account	936,165,672	807,250,982
Total	<u>2,516,903,439</u>	<u>2,293,885,223</u>
 SCHEDULE NO : 3		
Secured Loans [Refer Note II(3) and II(4) of Schedule 17] From Banks		
A. Optionally Convertible Debentures	—	80,000,000
B. Term Loans from Banks	188,779,452	218,366,968
C. Term Loans from Financial Institutions	881,800,000	250,000,000
D. Working Capital Loans from Banks	1,232,354,562	950,467,522
E. Bills Discounting Facility from Financial Institutions	397,406,220	249,920,919
F. Hire Purchase Loans from Banks	8,534,508	8,928,782
G. Interest Accrued and Due on Secured Loans	4,592,656	9,388,364
Total	<u>2,713,467,399</u>	<u>1,767,072,555</u>
 SCHEDULE NO :4		
Unsecured Loans [Refer Note II (5) of Schedule 17]		
Deferred Sales Tax Liability	30,467,152	30,467,152
Inter Corporate Deposit	546,970,389	215,464,317
Total	<u>577,437,541</u>	<u>245,931,469</u>

SCHEDULE NO : 5
Consolidated Schedule of Fixed Assets as on 30.09.2009

(Amount in Rupees)

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Opening Gross Block as on 01.10.2008	Additions during the Year	Deletions during the Year	Closing Gross Block as on 30.09.2009	Acc. Dep. As on 01.10.2008	Depreciation withdrawn	Acc. Dep. as on 30.09.2009	Net Block as on 30.09.2009	Net Block as on 30.09.2008
Land	723,811	182,068,000	—	182,791,811	—	—	—	182,791,811	723,811
Building	49,769,650	13,625,186	—	63,394,836	5,268,243	—	7,332,755	56,062,081	44,501,407
Plant & Machinery	2,600,000,632	328,828,352	—	2,928,828,985	449,490,756	—	597,443,582	2,331,385,403	2,150,509,876
Workshop Equipments	723,410	—	—	723,410	175,545	—	209,907	513,503	547,865
Weighing Machine	1,133,871	—	—	1,133,871	395,183	—	449,042	684,829	738,688
Electrical Installations	12,445,092	4,662,014	—	17,107,106	2,174,848	—	3,533,658	13,573,448	10,270,244
Furniture & Fixtures	17,134,037	2,152,200	—	19,286,237	1,204,921	—	3,996,153	15,290,084	15,929,115
Office Equipments	2,907,193	533,265	—	3,440,458	583,027	—	767,149	2,673,309	2,324,167
Vehicles	55,613,789	47,182,140	—	102,795,929	15,671,012	—	39,560,789	63,235,139	39,942,777
Computers	16,096,133	783,789	—	16,879,922	3,942,915	—	7,397,004	9,482,918	12,153,218
Total	2,756,547,618	579,834,947	—	3,336,382,565	479,906,449	—	660,690,040	2,675,692,525	2,277,641,168

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS
(Amount in Rupees)

	For the Year Ended 30.09.2009	For the Period Ended 30.09.2008
SCHEDULE NO : 6		
Investments		
(A) Long Term, Unquoted, Non Trade & at Cost	—	—
Total	<u>—</u>	<u>—</u>
SCHEDULE NO : 7		
Inventories		
(As Taken, Valued and Certified by the Management)		
Raw Material	61,501,300	43,477,973
Stock in Process	243,343,271	464,030,555
Finished Goods	62,998,929	120,800,823
Stores, Spares & Consumables	29,478,755	29,166,127
Total	<u>397,322,255</u>	<u>657,475,478</u>
SCHEDULE NO : 8		
Sundry Debtors		
(Unsecured and Considered Good)		
Debts Outstanding for a Period Exceeding Six Months	140,410,074	68,051,463
Other Debts	2,023,294,820	1,229,738,271
Total	<u>2,163,704,894</u>	<u>1,297,789,734</u>
SCHEDULE NO : 9		
Cash & Bank Balances		
1. Cash on Hand	6,121,567	2,215,097
2. Bank Balances with Scheduled Banks:		
A. Current Account	36,168,699	67,870,321
B. Margin Money Account	168,549,026	145,179,140
Total	<u>210,839,292</u>	<u>215,264,558</u>
SCHEDULE NO : 10		
Loans & Advances (Unsecured Considered Good)		
1. Advances to Suppliers	407,602,763	440,529,886
2. Deposits with excise and other Government Authorities	50,225,399	88,190,650
3. Advances for Busines Acquisition	438,410,000	361,410,000
4. Advnaces Recoverable in Cash or In kind or Value to be Received	41,444,515	30,908,134
Total	<u>937,682,677</u>	<u>921,038,670</u>

SUJANA TOWERS LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS *(Amount in Rupees)*

	For the Year Ended 30.09.2009	For the Period Ended 30.09.2008
SCHEDULE NO : 11		
Current Liabilities & Provisions		
A) Current Liabilities		
1. Sundry Creditors	408,256,462	154,906,814
2. Advances from Customers	24,562,548	27,316,738
3. Other Liabilities	112,115,720	23,600,246
Sub - Total (A)	544,934,730	205,823,798
B) Provisions		
1. Provision for Dividends on Crps (Including Dividend Distribution Tax)	1,001,610	654,375
2. Provision for Income-tax	114,126,390	129,620,533
3. Provision for Fringe Benefit Tax	1,069,985	814,056
4. Provision for Gratuity	3,858,590	3,077,640
5. Provision for Leave Encashment	1,485,084	735,178
Sub - Total (B)	1,21,541,659	134,901,782
Total (A+B)	666,476,389	340,725,580
SCHEDULE NO : 12		
Other Income		
1. Interest Earned	17,111,527	14,195,842
2. Miscellaneous Income	5,144,330	34,060,869
Total	22,255,857	48,256,711
SCHEDULE NO : 13		
Increase/(Decrease) in Stock		
Opening Stock		
Stock in Process	464,030,555	157,108,860
Finished Goods	120,800,823	134,944,374
Total	584,831,378	292,053,234
Closing Stock		
Stock in Process	243,343,271	464,030,555
Finished Goods	62,998,929	120,800,823
	306,342,200	584,831,378
Increase/(Decrease) in Stock	(278,489,178)	292,778,144
SCHEDULE NO : 14		
Raw Materials Consumed		
Opening Stock of Raw Materials		
Add: Purchase of Materials	43,477,973	3,239,373
	5,985,238,000	6,224,481,623
	6,028,715,973	6,227,720,996
Less: Closing Stock	61,501,300	43,477,973
Raw Materials Consumed	5,967,214,673	6,184,243,023

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS
(Amount in Rupees)

	For the Year Ended 30.09.2009	For the Period Ended 30.09.2008
SCHEDULE NO : 15		
Manufacturing, Selling and Administration Expenditure		
Manufacturing Expenses	89,336,501	118,820,726
Power Charges / Electricity Charges	58,001,867	94,402,109
Factory Maintenance	4,302,213	3,368,984
Advertisement Expenses & Sales Promotion	18,842,631	4,712,839
Audit Fees	3,852,291	600,000
Bad Debts Written Off	245,623	7,430
Travelling and Conveyance	27,811,538	3,373,120
Travelling Expenses - Directors	288,331	841,367
Donations	1,100,682	130,000
Rent, Rate & Taxes	23,709,360	4,513,163
Insurance Others	4,732,518	1,276,953
Misc. Expenses	14,906,951	2,439,177
Postage & Telegrams and Telephones	15,530,948	1,561,088
Printing and Stationary	2,602,801	1,641,091
Professional and Consultancy	3,758,769	10,847,738
Security Charges	5,547,810	3,099,300
Seminars	171,270	2,252,952
Staff Welfare	4,572,118	2,252,223
Repairs and Maintenance	—	
- Buildings	321,588	460,387
- Plant & Machinery	3,239,636	1,904,397
- Others	14,913,867	2,504,171
Consumption of Consumables	90,953,923	190,447,416
Salaries and Wages	199,920,421	75,074,134
Employer Contribution to E.S.I & PF	2,428,889	2,453,145
Foreign Exchange Loss	26,071,533	19,102,350
Directors Remuneration	2,609,471	2,586,667
Total	619,773,555	550,672,927
SCHEDULE NO : 16		
Financial Charges		
Interest on Working Capital & Financial Charges	229,171,036	145,913,912
Interest on Term Loans	137,562,996	57,888,783
Interest on Others	8,940,558	14,643,304
Total	375,674,590	218,445,999

SUJANA TOWERS LIMITED

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 30TH SEPTEMBER 2009

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 define under AS 21 "Consolidated Financial Statements" The company does not have any investment in Joint Ventures.

The consolidated financial statement for the period ended 30th Sep'2009 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 Transmissions 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.

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.

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.

14. Impairment of Assets

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

15 Earnings per share

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

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

16. Consolidated Cash flow statement

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

II. OTHER NOTES

1. Share Capital

Share Capital Includes 3,89,33,035 (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 (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

The option for conversion of pending 55,00,000 Equity Share Warrants has not been exercised by the warrant holders, consequent to that, the amount received on account of Equity Share Warrants, has been forfeited and the forfeited amount has been transferred to Capital Reserve A/c.

3. Optionally Convertible Debentures

The Optionally Fully Convertible Debentures allotted to IFCI Ltd. pursuant to the discharge of Rs. 800 lakhs due by the company have not been converted into Equity Shares and the amount outstanding to IFCI Ltd. has been converted into Short Term Rupee Loan carrying the same interest rate (i.e., 13%) applicable to Convertible Debentures. The outstanding amount of Short Term Rupee Loan as on 30.09.2009 is Rs. 600 lakhs. The Short Term Rupee Loan and the interest thereon is secured by first charge on the entire assets of the Company both present and future ranking pari-passu 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. 787.79 lakhs (previous year 900.34 lakhs) and the interest thereon is secured by first charge on the entire assets of the company both present and future ranking pari pasu 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 Sri. Y.S. Chowdary chairman. Sri G.Srinivasa Raju, Director of the Company and Sri. S.T.Prasad, relative of the Chairman.
- 4.2 Term Loan from Karnataka Bank of Rs. 500.00 Lakhs (previous year 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, Pari pasu second charge on the Current assets of the company and Personal Guarantees of Sri Y.S. Chowdary and Sri. G.Srinivasa Raju.
- 4.3. Revolving Short term loan of Rs. 25 Crores (Previous year 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, Serilingampatty Mandal, Ranga Reddy District, Hyderabad owned by Heritage Infra Developers Limited, and further secured by Pledge of shares of the Company, and Sujana Metal products Limited. These facilities are further secured by personal guarantee of Sri. Y.S.Chowdary Chairman of the company.
- 4.4. Term Loan of Rs. 63.18 Crores (Previous Year - Nil) from L & T Infrastructure Finance Company Limited, an interest thereon is secured by exclusive charge on the entire assets of Khanapur project, which is yet to commence the production. Limit Sanctioned for the project by L&T Infrastructure Finance Company Limited is Rs. 100 Crores and company has availed Rs. 63.18 Crores till 30.09.2009 and the balance Rs. 36.72 Crores is yet to be disbursed by L&T Infrastructure for the project.
- 4.5 Working Capital Loans from IDBI bank, Karnataka Bank, UCO Bank and Working Capital Term Loan from Exim Bank is secured First Charge on the Current assets of the Company ranking pari-pasu with the other working capital lenders. 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 and G. Srinivasa Raju.
- 4.6 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 D mat form of the Company and Bartronics India Limied. These facilities are further secured by the Personal Guarantees of Sri Y.S.Chowdary and Sri. G.Srinivasa Raju.
- 4.7 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.

SUJANA TOWERS LIMITED

6. Contingent Liability (Rupees in Lakhs)

Particulars	30.09.2009	30.09.2008
Bank Guarantees availed from Banks	4115.78	3417.88
Letter of Credit issued by Banks	6094.64	1993.71
Corporate Guarantee issued in favour of Sujana Holdings Limited, Dubai and Alpha Ventures Limited	960.80	938.80
Claims against the Company not acknowledged as Debts	1.71	NIL

7. Capital Commitments

Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for, net of advances is Rs. 6361.57 lakhs(As on 30th September 2008 Rs. 653 lakhs)

8. Taxation

Various Components of Deferred tax assets and Deferred tax Liabilities as at 30.09.2009 and 30.09.2008 are given below:-

(Rupees in Lakhs)

Particulars	As at 30.09.2009	As at 30.09.2008
Deferred Tax Liability		
- On account of timing differences relating to depreciation on Fixed Assets (A)	5380.83	4980.40
Deferred Tax Assets (B)	NIL	NIL
Net Deferred Tax Liability (A-B)	5380.83	4980.40
Deferred tax liability charged to profit and loss account. (Including previous years Deferred tax liability Rs.615.36 lacs)	390.49	2671.09

9. Retirement Benefits

Change in Defined Benefit Obligations (DBO) during the year ended as on 31st March 2009

(Rupees in Lakhs)

Particulars	Gratuity		Leave Encashment	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Present Value of Obligation as at the Beginning of the year	30.78	23.90	7.35	5.00
Acquisition Adjustment	—	—	—	—
Interest Cost	2.46	2.39	0.59	0.50
Past Service Cost	—	—	—	—
Current Service Cost	7.81	6.87	7.50	2.35
Curtailment Cost / (Credit)	—	—	—	—
Settlement Cost / (Credit)	—	—	—	—
Benefits paid	—	(0.56)	(2.29)	(0.23)
Actuarial (Gain) / Loss on Obligations	(2.46)	(1.83)	1.70	(0.27)
Present Value of Obligation as at the End of the year	38.59	30.78	14.85	7.35

10. 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.

1. 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.
2. 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 YEAR ENDED SEPTEMBER 30 2009

(Rupees in Lakhs)

Particular	INDIA	MAURITIUS	HONGKONG	CONSOLIDATED
Revenue				
External Sales	69886.15	6602.33	1549.13	78037.61
Inter - Segment Sales	—	—	—	—
Total Revenue	69886.15	6602.33	1549.13	78037.61
Results				
Segment Results	8563.44	(2037.97)	6.20	6531.67
Interest Expense	—	—	—	3756.75
Other Income	—	—	—	222.56
Income Tax	—	—	—	1833.56
Minority Interest	—	—	—	(128.70)
Profit for the Period	—	—	—	1292.62
Other Information				
Segment Assets	57501.12	6393.81	1522.36	65417.29
Segment Liabilities	31591.31	8031.18	1516.20	41138.69
Capital Expenditure	8639.44	—	—	8639.44
Depreciation / Amortization	1343.89	473.95	—	1817.84

11. Lease Commitments

The Company has finance Lease agreements for vehicles, the minimum lease rental outstanding as on 30th September 2009 are as follows:-

SUJANA TOWERS LIMITED

(Rupees in Lakhs)

Particulars	Total minimum lease payments outstanding		Future interest on outstanding payments		Present value of minimum lease payments	
	As at 30.09.09	As at 30.09.08	As at 30.09.09	As at 30.09.08	As at 30.09.09	As at 30.09.08
Within one year	56.73	41.12	6.72	6.15	50.01	34.97
Latter than one year and not latter than five years	37.66	59.73	2.32	5.42	35.34	54.31
Latter than five years	NIL	NIL	NIL	NIL	NIL	NIL
Total	94.39	98.85	9.04	11.57	85.35	89.28

12. 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:-

Sl. No.	Name of the Related Party	Relationship
1	Sujana Transmissions Limited	Subsidiary
2	Telesuprecon Limited	Companies
3	Digitech Business Systems Limited	(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 Private Limited	
9	Glade Steels Private Limited	
10	Sujana Holding Limited	
11	Aplha Ventures Limited	
12	Gamma Machinery and Equipment Private Limited	
13	Shri Y.S Chowdary	Key Managerial Personnel
14	Shri S. Hanumantha Rao	
15	Shri V.S.R. Murthy	
16	Shri K.Raghavaiah	
17	Shri R.K. Birla	
18	Shri Y.Kamesh	

(Rupees in Lakhs)

Sl. No.	Nature of the transactions	Subsidiaries		Associates		Key managerial personnel		Total	
		30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08
a	Assets Purchased & CWIP	—	—	80.01	0.13	—	—	80.01	0.13
b	Investment made	—	7.16	—	—	—	—	—	7.16
c	Loans given	971.80	469.40	—	—	—	—	971.80	469.40
d	Loans Outstanding	1441.20	469.40	—	—	—	—	1441.20	469.40
e	Purchases made	—	—	5,202.12	6821.67	—	—	5,202.12	6821.67
f	Sales	—	—	856.49	3457.37	—	—	856.49	3457.37
g	Guarantees issued / Restated	—	—	22.00	938.80	—	—	—	938.80
h	Guarantees outstanding	—	—	960.80	938.80	—	—	960.80	938.80
i	Issue of convertible equity warrants pending conversion into equity shares	—	—	—	1353.00	—	—	—	1353.00
j	Forfeiture of convertible equity warrants	—	—	1353.00	—	—	—	1353.00	—
k	Issue of shares of preferential allotment (including premium thereon)	—	—	—	4125.00	—	—	—	4125.00
l	Remuneration to Key Management Personnel	—	—	—	—	26.04	26.03	26.04	26.03
m	Sundry Debtors as at 30-09-2009	—	—	1,066.42	654.03	—	—	1,066.42	654.03

13. Managerial Remuneration

(Rupees in Lakhs)

Particulars	Year Ended 30.09.2009	Period Ended 30.09.2008
Managing and Whole time Directors' remuneration		
Salary and Allowances	26.04	25.86
Contribution to Provident Fund	0.02	0.10
Directors' Sitting Fees	0.69	0.07
Total	26.75	26.03

Managerial and whole time Director's Remuneration consists of remuneration amounting to Rs. 7.79 lacs (Previous year 25.86) paid to Mr. V. S. R. Murthy, Director (Finance) for the period from Oct. - 08 to Jan -09 and remuneration amounting to Rs. 12.66 lakhs (Previous year NIL) paid to Mr. K. Raghavaiah, Director (Technical) for the period from April - 09 to Sept. - 09 and remuneration amounting to Rs. 5.59 lakhs (Previous year NIL) paid to Mr. Y. Kamesh, Managing Director for the period from Sept. - 09 to Oct. - 09.

SUJANA TOWERS LIMITED

14. Payment to Auditors (Rupees in Lakhs)

Particulars	Year Ended 30.09.2009	Period Ended 30.09.2008
a) For Statutory Audit	10.00	6.00
b) For Tax Audit	NIL	NIL
c) For Certification (Previous Auditors)	NIL	0.60
Total	10.00	6.60

15. 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.

16. Earnings per Share (EPS)

Particulars	Rs/Nos	Year Ended 30.09.2009	Period Ended 30.09.2008
Profit attributable to equity shareholders -(A)	Rs.	1289.15	4150.31
Weighted average number of equity shares outstanding during the year used an denominator for calculating EPS (B)	Nos.	41433035	39934130
Nominal value of equity shares	Rs.	5.00	5.00
Basic earnings per share (A/B) #	Rs.	3.11	10.37
Diluted Earnings Per share #	Rs.	3.11	10.16

Not annualized

17. The provision for Current Tax, Deferred Tax, and Fringe Benefit Tax has been made based on the Computation of Income prepared by the company.
18. Confirmation of balances from certain Creditors, Debtors, Loans and Advances, other Liabilities and certain Bank accounts are yet to be received.
19. Previous Period figures have been regrouped and reclassified wherever necessary in conforming with the current Period's classification.
20. Previous year figures are for 15 months and are not comparable with the current period figures, as the current period figures are for 12 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

M/s.R.Subramanian and Company
Chartered Accounts

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

N. Krishnamurthy
Partner
Membership No. 19339

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

Place: Hyderabad (Camp)
Date: 29.12.2009

Place: Hyderabad
Date: 29.12.2009

Sujana Towers Limited (Parent Company)

(Rupees in Lakhs)

Description	Telesuprecon Limited	Digitech Business Systems Limited	Sujana Transmissions Limited
Loans and advances in the nature of loans to Subsidiaries	1,441.20	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	1,441.20*	NIL	NIL
(ii) No interest or interest below section 372A of the Companies Act, 1956	1,441.20	NIL	NIL
Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	1,441.20	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



SUJANA TOWERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDING 30TH SEPTEMBER 2009 *(Rupees in Lakhs)*

	For the Year ended 30.09.2009	For the Period ended 30.09.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	2,994.08	8,006.73
ADJUSTED FOR DEPRECIATION	1,817.84	1,470.58
DIVIDEND DISTRIBUTIN TAX	—	0.63
PROVISION FOR GRATUITY AND EARNED LEAVE	15.31	38.13
FINANCIAL CHARGES	3,756.75	2,184.39
INTEREST RECEIVED & OTHER INCOME	(222.56)	(482.57)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,361.41	11,217.89
ADJUSTED FOR :		
DECREASE/(INCREASE) IN INVENTORIES	2,601.53	(2,321.35)
DECREASE/(INCREASE) IN DEBTORS	(8,659.15)	(4,782.08)
DECREASE/(INCREASE) IN LOANS AND ADVANCES	(163.42)	(7,699.86)
(DECREASE)/INCREASE IN CURRENT LIABILITIES	3,391.11	(2,459.81)
CASH GENERATED FROM OPERATIONS	5,531.48	(6,045.31)
OTHER INCOME	51.44	460.25
TAXES PAID	1,564.87	498.74
PREPAID EXPENSES	—	(7.71)
CASH FROM OPERATING ACTIVITIES (A)	4,018.05	(6,091.51)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(INCREASE) IN FIXED ASSETS	(5,798.35)	(10,895.84)
SALE OF FIXED ASSETS	—	203.00
INCREASE IN CAPITAL WORK IN PROGRESS	(7,011.85)	(28.94)
INCREASE IN INVESTMENTS	—	—
INTEREST RECEIVED	171.12	—
CASH USED IN INVESTING ACTIVITIES (B)	(12,639.08)	(10,721.78)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
(DECREASE)/INCREASE IN LONG TERM BORROWINGS	9,463.95	15,720.86
(DECREASE)/INCREASE IN INTER CORPORATE DEPOSITS	3,315.06	—
DECREASE/(INCREASE) IN SHAREHOLDERS FUNDS	(445.50)	5,403.41
INTEREST PAID	(3,756.75)	(2,184.39)
NET CASH FROM FINANCING ACTIVITIES (C)	8,576.76	18,939.88
D. NET INCREASE IN CASH AND CASH EQUILANT (A+B+C)	(44.26)	2,126.59
CASH AND CASH EQUILANT AS ON 30.09.08	2,152.65	26.06
E. CASH AND CASH EQUILANT AS ON 30.09.09	2,108.39	2,152.65

For and on behalf of the board

Y. Kamesh
Managing Director

S. Hanumantha Rao
Director

Place: Hyderabad
Date: 29.12.2009

S. S. Sastry
Chief Financial Officer

L. Narasimha Rao
Company Secretary

AUDITOR'S CERTIFICATE

We Have Examined The Attached Consolidated Cash Flow Statement of Sujana Towers Limited, for the year ended 30.09.2009. 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 29.12.2009 to the Members of the Company.

For M/s. R. Subramanian & Company
Chartered Accountants

N. Krishnamurthy
Partner

Membership No. 19339

Place: Hyderabad (Camp)
Dated: 29.12.2009



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 Third Annual General Meeting of the Company to be

held on the 27th day of March, 2010 and at any adjournment thereof.

Signed this the day of2010

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 3rd 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 Third Annual General Meeting to be held on 27.03.2010 at "Kohinoor", Taj Deccan, Road No. 1, Banjara Hills, Hyderabad - 500 034 at 4.30 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 :

Plot No.18, Nagarjuna Hills,

Panjagutta, Hyderabad - 500 082

Ph : 040-23351882, 23351887

website : www.sujana.com