



6th ANNUAL REPORT

2012 - 2013

Sujana Towers Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

BANKERS	:	IDBI Bank Limited Central Bank of India Punjab National Bank Andhra Bank UCO Bank Karnataka Bank Limited Exim Bank Limited SBI Factors and Commercial Services (P) Limited
FINANCIAL INSTITUTIONS	:	Sicom Limited L & T Infrastructure & Finance Co. Ltd.
REGISTERED OFFICE	:	Plot No.41, Nagarjuna Hills, Panjagutta Hyderabad - 500 082
WORKS	:	(i) Plot No. 128 Part, Sy. No. 172/B, I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (ii) Plot No. 10, 11 and 12 Part, Sy. No.172 I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (iii) Plot No. 9, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (iv) Plot No. 8, Sy. No.172/EE, U, UU, I.D.A. Bollaram - 502 325 Jinnaram Mandal, Medak Dist, A.P. (v) Sy. No. 321 Turkala Khanapur Village - 502 201 Hatnur Mandal, Medak Dist. A.P.
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 306, 3rd Floor, Right Wing, Amrutha Ville Opp: Yashoda Hospital, Raj Bhavan Road Somajiguda Hyderabad - 500 082 Tel : +91-40-23374967

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2013 at "Hotel Sitara Residency", beside Chandana Brothers, Ameerpet, Hyderabad - 500 016, Andhra Pradesh at 12.00 Noon to transact the following business:

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

By order of the Board

Y. KAMESH
Managing Director

Place : Hyderabad

Date : 14th August, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY FILLED, STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. The Share transfer books and Register of Members of the Company will remain closed on 26th September, 2013 (one day only).

SUJANA TOWERS LIMITED

4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection by the Members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
5. The registration of share transfers and other related correspondence will be dealt with by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
6. The shareholders/members of the Company, who are having equity shares of the Company in physical form are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders/members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.

Some of the advantages to the investors who are having the shares in demat mode are:

 - a. There is no scope of any risk of loss, theft, damage or fraud and bad deliveries are eliminated;
 - b. Shareholders no longer have to wait for the shares transferred in his name. Delay is almost eliminated;
 - c. This system totally eliminates risks associated with loss/fraudulent interception of share certificates in postal transit;
 - d. In the physical mode, shares may only be sold and bought at marketable lot. No such hassle is experienced in the demat mode;
 - e. Genuineness is always guaranteed in the demat mode.
7. The resolution in item no.5 is proposed to be passed by the Shareholders by way of exercising the voting by them through postal ballot, for which postal ballot form along with instructions and the calendar of events can be found on page nos. 85 and 86.
8. The Ministry of Corporate Affairs (MCA) has taken an initiative in respect of 'Green Initiative in the Corporate Governance' by allowing the Companies to send the notices/documents including annual reports to the members through electronic mode by giving an advance opportunity to the members for registering their e-mail addresses with the Company/ Depository from time to time for receiving the same. In this connection, the members are requested to register their e mail addresses by sending an e-mail with the following details to 'csstl@sujana.com' or by visiting our website 'www.sujana.com' or register the same with the Company's Registrar and Share Transfer Agents "Bigshare Services Private Limited".

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

9. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.

ANNEXURE TO THE NOTICE

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

Item No. 5

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

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

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

The members are requested to authorise the Board/ Management Committee with the requisite authority under Section 293(1) (a) of the Companies Act, 1956 any new enactments and amendments thereof, to lease or transfer the whole or substantially the whole of the undertaking of the Company.

As per the provisions of the Section 192A of the Companies Act, 1956 any new enactments and amendments thereof read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 as amended from time to time,

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

Your Directors recommend the resolution for your approval.

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

By order of the Board

Y. KAMESH
Managing Director

Place : Hyderabad

Date : 14th August, 2013

SUJANA TOWERS LIMITED

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

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

DIRECTORS' REPORT

Dear Members,

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

1. Company's Performance

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

The highlights of the financial results are as follows:

(Rs. in lakhs)

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

2. Review of Operations

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

3. Prospects

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

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

Indian GDP is estimated at 5.3% in F.Y.2013-14 as per Prime Minister's Economic Advisory Council (PMEAC). Indian steel demand is also expected to track GDP growth supported by easing interest rate cycle and resultant revival in infrastructure, construction, industrial and manufacturing sectors. Prediction of good monsoon in the current year, declining commodity prices globally, lower interest rates are positive to spur economic activity in the country. Notwithstanding, fragile recovery in US, sovereign debt crisis in Europe and slow down in China, domestic demand/consumption is one of the primary drivers of Indian Economy, to be optimistic to show a GDP growth of above 7%. Based on these projections of the GDP, your Directors are confident that the projected operational figures would be achieved.

Corporate Debt Restructuring

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

4. Subsidiaries

a. Digitech Business Systems Limited

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

b. Telesuprecon Limited

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

c. STL Africa Limited

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

5. Consolidated Financial Statements

Your Company has availed the general exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiary Companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956, to the Balance Sheet of your Company. The said exemption is granted vide circular issued by Ministry of Corporate Affairs dated 08.02.2011.

Accordingly, the said documents of subsidiary Companies are not being attached with the Balance sheet of the Company. A gist of the financial performance of the subsidiary Companies is contained in the report. The annual accounts of the subsidiary Companies are open for inspection by any member/investor at the Company's registered office and the Company will make available these documents and the related detailed information

upon request by any investor of the Company or any investor of its subsidiary Companies who may be interested in obtaining the same. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is annexed to this Report.

In terms of Clause 32 of the Listing Agreement with the Stock Exchanges and as prescribed by Accounting Standard 21 notified by the Government of India under Section 211(3C) of the Companies Act, 1956, the Audited Consolidated Financial Statements are annexed.

6. Consolidation of shares

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

7. Industrial Relations

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

8. Future Plans

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

9. Dividend

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

10. Directors

Shri G. Srinivasa Raju and Shri A.S. Anand Kumar, Directors of the Company, are liable to retire by rotation in the ensuing Annual General Meeting of the Members of the Company and being eligible offers themselves for reappointment. During the year under review Shri K.S. Purohit, Director resigned from the Board of Directors of the Company on his personal reasons and the same was approved by the Board at their meeting held on 10.11.2012.

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

11. Directors' Responsibility Statement

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

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

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

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

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