

8th ANNUAL REPORT

2014 - 2015


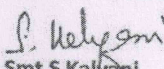
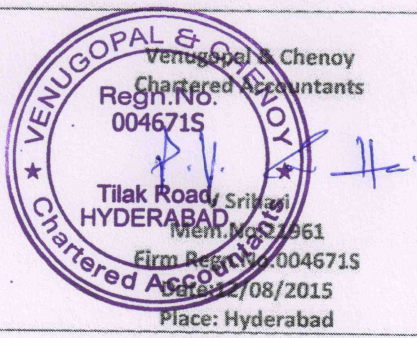
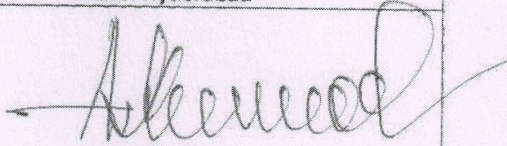
A low-angle, blue-tinted photograph of several high-voltage electricity pylons and power lines stretching across the sky. The pylons are made of a complex lattice of metal. The lines are strung between the pylons and sag slightly. The sky is a clear, light blue.

Sujana Towers Limited

FORM A

(Unqualified/Matter of Emphasis Report)

Format of Covering Letter of the Annual audit report to be filed with the Stock Exchange

| S.No. | Particulars | Details |
|-------|--|---|
| 1 | Name of the Company | M/s. Sujana Towers Limited |
| 2 | Annual Financial Statements for the year Ended | 31 st March, 2015 |
| 3 | Type of Observation | Un-qualified |
| 4 | Signatures: | |
| | Managing Director |  G.Srinivasa Raju Date:12/08/2015 Place: Hyderabad. |
| | Vice President Finance |  Smt S Kalyani Date:12/08/2015 Place: Hyderabad |
| | Auditor of the Company |  Venugopal & Chenoy Chartered Accountants Regn. No. 004671S Tilak Road, Sri Nagar HYDERABAD Mem. No. 21961 Firm Reg. No. 004671S Date: 12/08/2015 Place: Hyderabad |
| | Audit – Committee Chairman |  A S Anand Kumar Date: 12/08/2015 Place: Hyderabad |

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | | |
|-------------------------------|---|--|
| NON-EXECUTIVE CHAIRMAN | : | Shri M. V. Bhaskara Rao * |
| MANAGING DIRECTOR | : | Shri G. Srinivasa Raju |
| DIRECTORS | : | Shri S. Hanumantha Rao |
| | | Shri A. S. Anand Kumar * |
| | | Shri L. V. Rao* |
| | | Shri H. Biswas, IDBI, Nominee# |
| | | Smt. B. Sandhyasri* |
| | | <i>*Independent, Non-Executive Directors</i> |
| | | <i># Nominee from IDBI Bank</i> |

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|------------------------|---|-------------------------|
| AUDIT COMMITTEE | : | Shri A. S. Anand Kumar |
| | | Shri S. Hanumantha Rao |
| | | Shri M. V. Bhaskara Rao |
| | | Shri L. V. Rao |

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| MANAGEMENT COMMITTEE | : | Shri G. Srinivasa Raju |
| | | Shri S. Hanumantha Rao |
| | | Shri M. V. Bhaskara Rao |

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| CORPORATE SOCIAL RESPONSIBILITY COMMITTEE | : | Shri G. Srinivasa Raju |
| | | Shri S. Hanumantha Rao |
| | | Shri M. V. Bhaskara Rao |

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| NOMINATION AND REMUNERATION COMMITTEE | : | Shri S. Hanumantha Rao |
| | | Shri A. S. Anand Kumar |
| | | Shri M. V. Bhaskara Rao |

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| RISK MANAGEMENT COMMITTEE | : | Shri G. Srinivasa Raju |
| | | Shri S. Hanumantha Rao |
| | | Shri M. V. Bhaskara Rao |

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| SHARE TRANSFER COMMITTEE | : | Shri G. Srinivasa Raju |
| | | Shri M. V. Bhaskara Rao |
| | | Shri S. Hanumantha Rao |

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| SHAREHOLDERS' GRIEVANCES COMMITTEE | : | Shri G. Srinivasa Raju |
| | | Shri S. Hanumantha Rao |
| | | Shri M. V. Bhaskara Rao |

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| VICE-PRESIDENT (FINANCE) | : | Smt S. Kalyani |
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| COMPANY SECRETARY | : | Shri P. Apser Hussien |
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| STATUTORY AUDITORS | : | M/s. Venugopal & Chenoy |
| | | Chartered Accountants, |
| | | Tilak Road, Hyderabad. |

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| INTERNAL AUDITORS | | Shri M. Balarama Krishnaiah |
| | | Chartered Accountant, |
| | | Hyderabad. |

SUJANA TOWERS LIMITED

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| COST AUDITORS | : | M/s Nageswara Rao & Co. Cost Accountants, Hyderabad |
| BANKERS | : | Andhra Bank Central Bank of India Exim Bank Limited IDBI Bank Limited Karnataka Bank Ltd Punjab National Bank UCO Bank |
| REGISTERED OFFICE & CORPORATE OFFICE | : | Plot No. 18 Nagarjuna Hills, Panjagutta, Hyderabad, Telangana- 500 082 Website: www.sujanatow.com |
| WORKS | : | (i) Plot No. 128 Part, Sy.No.172/B, I.D.A. Bollaram - 502 325, Jinnaram Mandal, Medak Dist, Telangana. (ii) Plot No. 10, 11 and 12, Sy. No.172 I.D.A. Bollaram - 502 325, Jinnaram Mandal, Medak Dist, Telangana. (iii) Plot No. 9, Sy. No.172/EE, U, UU, I.D.A. Bollaram - 502 325, Jinnaram Mandal, Medak Dist, Telangana. (iv) Plot No.8 B & C, Sy. No.172/EE, U, UU I.D.A. Bollaram - 502 325, Jinnaram Mandal, Medak Dist, Telangana. (v) Sy. No. 321, Turkala Khanapur Village - 502 201, Hatnur Mandal, Medak Dist. Telangana. |
| LISTING | : | EQUITY BSE Limited (BSE) PhirozeJeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) 5th Floor, Exchange Plaza Bandra (E), Mumbai - 400 051 |
| REGISTRAR & SHARE TRANSFER AGENT | : | M/s. Bigshare Services Private Limited 306, Right Wing, 3rd Floor. Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082 Phone No. 040-2337 4967 Email: bsshyd@bigshareonline.com Website: bigshareonline.com |

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of Sujana Towers Limited will be held on Wednesday, the 30th day of September, 2015 at “Katriya Hotel & Towers, No. 8, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana at 02:00 P.M., to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statements of Profit and Loss and Cash Flow Statements for the financial year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri S. Hanumantha Rao, (DIN: 00118801), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s Venugopal & Chenoy (Regn. No.004671S), Chartered Accountants, Hyderabad, as Statutory Auditors and if thought fit to pass with or without modifications(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013, the members of the Company hereby ratify the appointment of M/s. Venugopal & Chenoy (Regn. No. 004671S), Chartered Accountants, Hyderabad, as Statutory Auditors of the Company to hold office till the conclusion of the 10th Annual General Meeting of the Company to be held in the year 2017, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee.”

SPECIAL BUSINESS

4. **To consider and appoint Smt. B. Sandhyasri (DIN : 07135292) as an Independent Director and in this regard, if thought fit,**

to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 & 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] read with Clause 49 of Listing Agreement, Smt B. Sandhyasri (DIN: 07135292), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors w.e.f. March 30, 2015 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing form a member proposing the candidature of Smt B. Sandhyasri for the Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years commencing from March 30, 2015 to March 29, 2020.”

5. **To consider and appoint Shri G. Srinivasa Raju, as Managing Director & Key Managerial Person of the Company and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and approval of Central Government, if any, and such other consents and approvals as may be required, and as recommended

SUJANA TOWERS LIMITED

by the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for appointment of Shri G. Srinivasa Raju (DIN: 00132249), as the Managing Director, a Whole time Key Managerial Personnel (KMP), of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company, for a period of 3 (three) Years, effective from, May 28, 2015 till May 27, 2018 and the remuneration, if any payable taking together with the remuneration received by Shri G. Srinivasa Raju for being Managing Director & Key Managerial Person of M/s. Sujana Universal Industries Limited, shall not exceed the limits as prescribed in the Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the terms of the appointment of Shri G. Srinivasa Raju shall be subject to revision by the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), from time to time during the tenure of the appointment, taking into account the performance of the Company, within the overall limit as provided in the provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Shri G. Srinivasa Raju, as Managing Director as provided in this resolution."

"RESOLVED FURTHER THAT the remuneration specified above for Shri G. Srinivasa Raju, Managing Director may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act,

2013 be modified, during the tenure of office as Managing Director, as may be agreed by the Board of Directors and Shri G. Srinivasa Raju."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/consent from the government departments, as may be required in this regard."

"RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to complete necessary statutory formalities to give effect to the resolution and to do all such acts, deeds, matter and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution from time to time and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, Andhra Pradesh & Telengana".

6. To alter Clause 145 of the Articles of Association of the Company under Section 14 of the Companies Act, 2013 by replacing new Clause 145 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force and subject to approvals, permissions and sanctions from the appropriate authority, if any, the consent of the Members be and is hereby accorded to alter the Articles of Association by substituting

the existing Article 145 of the Articles of Association of the Company with the following new Article 145:

145: A Managing Director while he continues to hold that office, is subject to retire by rotation, in accordance with Article 134, if he ceases to hold the office of Director he shall ipso facto, immediately cease to be a Managing Director."

7. To ratify the remuneration of the Cost Auditors for the financial year ending March 31st, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and subject to all other approvals, if any required, consent of the Members be and is hereby accorded to pay an amount of Rs.2.00 lakhs (Rupees Two Lakhs Only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses as remuneration to M/s. Nageswara Rao & Co., Cost Accountants, (Member Ship No Firm No.000332) Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016"

"RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

G. Srinivasa Raju
Managing Director

Place : Hyderabad
Date : 12th August, 2015

NOTES:

1. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant board resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

SUJANA TOWERS LIMITED

7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. The Share Transfer Books and Register of Members of the Company will remain closed on September 29, 2015 (One day only).
9. Copy of the draft letters for respective appointment of Smt B. Sandhyasri as an Independent Director and Shri G. Srinivasa Raju as Managing Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company and also available @ www.sujana.com
10. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Director seeking appointment/re-appointment at the Annual General Meeting, is annexed hereto. The directors have furnished the requisite declarations for their appointment/ re-appointment.
11. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
12. The registration of share transfers and other related correspondence will be dealt at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
13. 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.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.
15. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the equity shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad).
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for

every shareholder of Sujana to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Company / RTA. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.

18. Electronic copy of the Annual Report for 2014-15 (including Notice of the 8th Annual General Meeting of the Company along with Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
19. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates with their respective Depository Participants to receive all the communications in electronic mode. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company RTA.
20. Members may also note that the Notice of the 8th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.sujana.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days.
21. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
23. **Instructions for members for voting electronically are as under:-**
 - In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ("Amended Rules 2015") and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 8th Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by Central Depository Services Limited ("CDSL").
 - The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

SUJANA TOWERS LIMITED

- The remote e-voting period commences on 26th September, 2015 at 09:00 AM and ends on 29th September, 2015 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- Shri Y. Ravi Prasada Reddy, Practicing Company Secretary, Hyderabad, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sujana.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

The process and manner for remote e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September, 2015 at 09:00 AM and ends on 29th September, 2015 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below: