



SURANA VENTURES LIMITED

**6th Annual Report
2011-12**





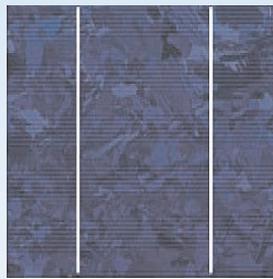
Solar Street Light



Solar Lantern



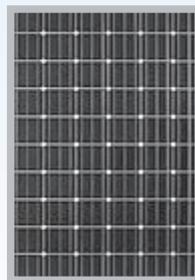
Multicrystalline Module



Multicrystalline Cell



Monocrystalline Cell



Monocrystalline Module

SURANA

BOARD OF DIRECTORS

G M SURANA	-	CHAIRMAN
O SWAMINATHA REDDY	-	DIRECTOR
R SURENDER REDDY	-	DIRECTOR
S R VIJAYAKAR	-	DIRECTOR
DR. R. N. SREENATH	-	DIRECTOR
NARENDER SURANA	-	MANAGING DIRECTOR
DEVENDRA SURANA	-	DIRECTOR
MANISH SURANA	-	DIRECTOR - FINANCE & TECHNICAL
HARISH NAIR	-	DIRECTOR

STATUTORY COMMITTEES**AUDIT COMMITTEE**

O SWAMINATHA REDDY	-	CHAIRMAN
G M SURANA	-	MEMBER
R SURENDER REDDY	-	MEMBER
S R VIJAYAKAR	-	MEMBER

SHAREHOLDERS GRIEVANCE COMMITTEE

G M SURANA	-	CHAIRMAN
NARENDER SURANA	-	MEMBER
DEVENDRA SURANA	-	MEMBER

REMUNERATION COMMITTEE

R SURENDER REDDY	-	CHAIRMAN
O SWAMINATHA REDDY	-	MEMBER
S R VIJAYAKAR	-	MEMBER

BANKERS

Indian Overseas Bank
Bank of India
Corporation Bank

STATUTORY AUDITORS

Sekhar & Co.,
Chartered Accountants
133/4, R. P. Road, Secunderabad - 500 003.

INTERNAL AUDITORS

Luharuka & Associates
Chartered Accountants
5-4-187/3&4, Soham Mansion,
2nd Floor, Above Bank of Baroda
M G Road, Secunderabad - 500 003.

REGISTRAR & TRANSFER AGENT:**KARVY COMPUTERSHARE PRIVATE LIMITED**

Plot No.17-24 Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Tel No.040-44655000
Fax No.040-23420814, Toll Free No.1800-3454-001
E-mail : einward.ris@karvy.com Web Site: www.karvy.com
Regd.Office : Karvy House 46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad - 500 034

WORKS :**SOLAR PHOTOVOLTAIC DIVISION**

1. Plot No 212/3, Phase II,
I.D.A., Cherlapally
Hyderabad - 500 051
2. Plot No.21, Ravirayal (Village)
Maheswaram (Mandal)
Rangareddy (Dist)
Fabcity, Hyderabad

NON- CONVENTIONAL ENERGY (WIND)

1. Kaladhon Village, Khatav Taluka,
Satara Dist.,
Maharashtra.
2. Kurichampatti Village,
V.K. Pudur Taluk, Tirunelveli Dist.,
Tamilnadu
3. Puliur Village,
Tenkasi Taluk
Tirunelveli Dist.,
Tamilnadu

REGISTERED OFFICE

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003,
A.P., India.
Tel:+ 91 40 27845119, 27841198, 44665700
Fax: + 91 40 27848851
E-mail: surana@surana.com
Investors: cs@surana.com
investorservices_svl@surana.com
Website: www.surana.com, www.suranaventures.com



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 6th Annual General Meeting of the members of **SURANA VENTURES LIMITED**, will be held on 29th day of September, 2012 at 11.30 am at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500 003, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended 31st March, 2012 along with Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Shri G M Surana, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Dr. R N Sreenath, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint Auditors and to fix their remuneration 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 M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT in partial modification to the Resolution No. 11 passed by the Members at the 4th Annual General Meeting held on 10th August 2010 regarding the appointment and terms of remuneration of Shri Manish

Surana as Executive Director in accordance with the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the terms of appointment of Shri Manish Surana as "Director - Finance & Technical" of the Company be and is hereby revised and that he be appointed for a period of 3 years with effect from 28.01.2012 upto 27.01.2015 and be entitled to remuneration package as below

1. SALARY:

₹ 2,00,000/- per month in the scale of ₹ 2,00,000 - 50,000 - 3,00,000/- per month

2. PERQUISITES:

In addition to salary as above, Shri Manish Surana shall be entitled to perquisites as under:

Category 'A'

i) Medical Reimbursement:

Expenses actually incurred for Shri Manish Surana and his family shall be reimbursed subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

ii) Leave Travel concession:

For Shri Manish Surana and his family once in a year incurred in accordance with any rule specified by the Company.

iii) Club Fees:

Fees of clubs subject to a maximum of two clubs, provided no life membership or admission fee shall be paid.

iv) Personal Accident Insurance:

Premium not to exceed ₹ 1,000/- per annum.

Explanation: For the purpose of Category 'A', family means the spouse, dependent children and dependent parents of the Executive Director.



Overall Limit: The monetary value of perquisites listed in Category 'A' at 2(i), (ii), (iii) and (iv) above shall not exceed an amount equal to the annual salary.

Category 'B'

i) Provident and Superannuation Fund:

Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. This will not be included in the computation of the ceiling on perquisites.

ii) Gratuity:

Gratuity payable shall not exceed one half month's salary for each completed year of service.

Category 'C'

i) Provision of Car and Telephone:

Shri Manish Surana shall be entitled to a motor car for use on Company's business and telephone at residence. However, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to Shri Manish Surana.

3. COMMISSION:

In addition to salary and perquisites as above, Shri Manish Surana shall be entitled to commission at the rate of 1% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Companies Act, 1956, subject to the overall ceiling laid down in Section 198 and Section 309 of the Companies Act, 1956.

4. MINIMUM SALARY:

Where in any financial year, during the currency of tenure of Shri Manish Surana, the Company has no profits or its profits are inadequate, the Company shall pay to Shri Manish Surana remuneration by way of salary and perquisites not

exceeding the limits specified herein under Part -II Section II of Schedule -XIII of the Companies Act, 1956 including any statutory modifications thereof for the time being in force.

5. OTHER BENEFITS:

i) Shri Manish Surana shall be entitled to reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's Business.

ii) He will not be eligible for any sitting Fees for attending the Company's Board/Committee Meetings.

7. APPOINTMENT OF SHRI HARISH NAIR AS DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Shri Harish Nair, who was appointed as an Additional Director with effect from 28.07.2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 53(e) of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company."

RESOLVED FURTHER THAT Shri Narender Surana, Managing Director & Shri Devendra Surana, Director be and are hereby severally authorized to file E-Form 32 with the Registrar of Companies, Andhra Pradesh in accordance with the provisions of the Companies Act, 1956 by applying their digital signature thereto."

By Order of the Board
For **SURANA VENTURES LIMITED**

Place: Secunderabad **NARENDER SURANA**
Date: 28th July, 2012 **MANAGING DIRECTOR**

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2012 to 29.09.2012 (both days inclusive).
3. Dividend on shares @ 5% as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on 26.09.2012 or to their mandates, to the extent eligible, and also to the Beneficial Owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed Companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant.
5. Shareholders holding shares in **Physical Form** and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.
6. Shareholders holding shares in **Dematerialised Form** are requested to provide the Bank details to their Depository Participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
7. The Members, who have not encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2011 are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof pursuant to Section 205 (c) of the Companies Act, 1956, Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

For the Financial Year	Date of Declaration	Due for Transfer on
2010-11	21.09.2011	20.10.2018
8. The Company's Equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
9. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.



10. *The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. In view of the circular issued by MCA the Company proposes to henceforth deliver document like the Notice calling the Annual General Meeting /Extra Ordinary General Meeting / Auditors /Report of the Directors, etc., in electronic form to the email address provided by the shareholders.*
11. *Shareholders are requested to furnish their e-mail id's that enables the Company to forward all the requisite information in electronic mode. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and mode available to the Company shall be the registered email ID unless communication is received to the contrary.*
12. *Shareholders requiring a printed copy of the Annual Report should forward their request to the Company.*
13. The Securities Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
14. Members holding shares in physical form, may write to the Company's Registrars & Transfer Agents for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to despatch dividend warrants at their correct addresses.
15. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at KARVY COMPUTERSHARE PRIVATE LIMITED, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081.
16. Please note that, any queries pertaining to Accounts related aspects, in order to give proper clarification should reach the at Registered Office of the Company at least 48 hours before Annual General Meeting.

By Order of the Board
For **SURANA VENTURES LIMITED**

Place: Secunderabad **NARENDER SURANA**
Date: 28th July, 2012 **MANAGING DIRECTOR**

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956

ITEM NO. 6

At the AGM held on 10.08.2010, Shri Manish Surana was appointed as Executive Director of the Company for a period of 5 years with effect from 08.08.2010 upto 07.08.2015 on a remuneration of ₹2,00,000/- per month. The Board at their meeting held on 28.01.2012 deemed fit to revise the terms and conditions of appointment so as to include the payment of remuneration in case of inadequacy of profits in any year/(s) and also the detailed break up of remuneration package. Hence the resolution detailing the revised terms and conditions of appointment of Shri Manish Surana is placed before the Members.

The profile of Shri Manish Surana is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri Manish Surana will be of immense value and benefit to the Company and therefore recommends the resolution for the approval of the Members.

Under Section 173 of the Companies Act 1956, your Directors recommend the Ordinary Resolution for your approval.

None of the Directors other than Shri G M Surana, Shri Narender Surana, Shri Devendra Surana and Shri Manish Surana are concerned or interested in the said resolution except as members.

The explanatory statement together accompanying notice may be regarded as an abstract of the terms of re-appointment and remuneration of Shri Manish

Surana and Memorandum of Interest of directors under Section 302 of the Companies Act, 1956

ITEM NO. 7:

Shri Harish Nair was appointed as an Additional Director by the Board of Director w.e.f. 28.07.2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 53(e) of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The detailed profile of Shri Harish Nair is attached to the Corporate Governance report.

Your Directors recommend the above Resolution for your approval.

None of the Directors are concerned or interested in the said resolution.

By Order of the Board
For **SURANA VENTURES LIMITED**

Place: Secunderabad **NARENDER SURANA**
Date : 28th July, 2012 **MANAGING DIRECTOR**



DIRECTORS REPORT

To
The Members

Your Directors have pleasure in presenting the 6th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2012, together with the Auditors Report thereon.

FINANCIAL RESULTS:

The performance of the Company during the year has been as under:

(₹ in Lakhs)

Particulars	2011-12	2010-11
Sales and other Income	7387.42	10,425.06
Profit before Depreciation, Interest and exceptional Items	697.11	2550.81
DEDUCT :		
Depreciation and amortisation expenses	223.06	173.22
Interest and Finance charges	355.93	231.62
Profit for the year before exceptional items	118.12	2,145.97
Less: Prior period Adjustments	-	(0.11)
Less: Amortisation of Intangible Assets	73.85	71.40
Profit before Taxation	44.27	2,074.68
Provision for Taxation:		
Current Tax	8.00	414.00
Deferred Tax	5.14	36.39
MAT tax Expense/(Credit)	(0.98)	(21.03)
Profit after Tax	32.11	1,645.32
Surplus brought forward from previous year	801.66	393.24
Balance available for appropriation	833.77	2,038.56
APPROPRIATION:		
Dividend	123.02	246.03
Tax on Dividend	19.96	40.87
Transfer to Debenture Redemption Reserve	-	450.00
Transfer to General Reserves	250.00	500.00
Balance c/f to Balance Sheet	440.79	801.66
TOTAL	833.77	2,038.56

OPERATIONS:

During the year under review, the Income from Operations is ₹ 7266.86 Lakhs as against ₹ 10233.89 Lakhs for the previous year. The Profit Before Tax is ₹ 44.27 Lakhs as against ₹ 2074.68 Lakhs for the previous year. The Profit After Tax is ₹ 32.11 Lakhs as against ₹ 1645.32 Lakhs for the previous period. The Basic Earnings Per Share for the year-ended 31.03.2012 is ₹ 0.13 as against ₹ 6.69 for the corresponding previous year ended 31.03.2011.

Although the year started on a very positive note, the sudden developments taken in the Solar Sector impacted the performance of the company adversely. There was a sharp fall in the price of material by about 40% (approx) due to which the Company suffered losses in the inventory holding. This coupled with unfavourable customs duty structure on import of raw materials of cell and module manufacturing and dumping of cheap cell/modules by China has worsened the situation for the sector. The increase in interest rate and appreciation of US \$ by about 10% during financial year also impacted the performance. In spite of these un-favourable factors the company was able to achieve a turnover of ₹ 7266.86 Lakhs with a moderate profit after tax of ₹ 32.11 Lacs.

DIVIDEND:

Your Directors recommend Dividend @ 5% amounting to ₹ 123.02 lakhs for the year ended 31st March 2012. This will entail an outflow of ₹ 142.97 lakhs (inclusive of tax thereon).

FUTURE PROJECTIONS:

In the year 2010-11, the company has initiated action for setting up of 35 MW PV Cell line as backward integration for the existing manufacturing of Solar Modules. This was done to increase the margin in value chain and also to comply with NVVN requirement of using indigenously manufactured cells for power projects to be allotted

under JNNSM. However, due to deterioration in the outlook for the sector mainly on account of European economic crisis, withdrawal of subsidy by some western countries and dumping of solar cells by China, the company, has during the financial year 2011-12 taken conscious decision of deferring the implementation of the project till the situation for cell manufacturing improves.

Looking forward, the Company's Business strategy shall be to focus on the following areas

- a) Continue with existing off-grid market with existing product mix and enlarge the market share.
- b) To increase the market share in on-grid market segment.
- c) To enlarge the export market.
- d) To improve the relationship with customers by frequent interaction and continuous visiting to their places.
- e) To establish a separate cell for taking care of customer grievances.
- f) To participate in exhibitions in India and abroad to get visibility.
- g) To set up small solar power projects of 1-5 MW capacity under REC mechanism.

FIXED DEPOSITS

The Company has not accepted any deposits from the public for the year under review within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

In order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Shri G M Surana and Dr. R N Sreenath, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.



Shri. Harish Nair who was appointed as Additional Director on 28.07.2012 is here by proposed to be regularized as the Director w.e.f. 29.09.2012.

The brief particular of the Directors seeking appointment / re-appointment at this Annual General Meeting is annexed to the Corporate Governance Report.

AUDITORS

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Company that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

In Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;

iii. That the Directors 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;

iv. That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under 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, forms part of this Report and is annexed herewith.

PARTICULARS OF EMPLOYEES

During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

ACKNOWLEDGEMENTS

The Board desires to place on record its sincere appreciation for the support and co-operation received from the Company's Bankers and Officials of the concerned Government Departments, Employees and the Members for the confidence reposed by them in the management.

By Order of the Board
For **SURANA VENTURES LIMITED**

Place : Secunderabad
Date : 28th July, 2012

G.M. SURANA
CHAIRMAN

ANNEXURE - A TO THE DIRECTORS REPORT

Information under 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:

1. CONSERVATION OF ENERGY:

Energy conservation measures taken: Operations of the Company are not energy intensive. However adequate measures have been initiated to reduce energy consumption, the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: **Nil**

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods: **N.A**

2. TECHNOLOGY ABSORPTION:

FORM B:

(Disclosure of particulars with respect to technology absorption)

A. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R& D carried out by the Company: Nil
2. Benefits derived as a result of the above R& D : Nil
3. Future plan of action : Nil
4. Expenditure on R & D : Nil

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company is making all efforts for improving productivity, product quality and reducing consumption of scarce raw material.

The Company is in the process of setting up State of the Art manufacturing plant for 'Solar Cell and Module' using latest technology.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Foreign Exchange inflow	:	₹ 671.78 Lakhs
Foreign Exchange Outgo	:	₹ 4333.60 Lakhs

By Order of the Board
For **SURANA VENTURES LIMITED**

Place : Secunderabad
Date : 28th July, 2012

G.M. SURANA
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

Corporate Governance is more a way of Business life than a mere legal compulsion. Your Company believes that, though its primary focus is on the core objective of earning profits, the Corporate Governance goes beyond being a regulatory requirement, actually it builds a long-term value to stakeholders, contemplates that corporate actions which balance the interests of all stakeholders and satisfy the tests of transparency, accountability, fairness and social responsibility and it must serve the underlying goal of enhancing the shareholder value over a sustained period of time.

2. Board of Directors (Board):

a) The Board of Directors of the Company as on 31st March, 2012 consists of:

- 4 Independent Non-executive Directors;
- 3 Executive Directors;
- 1 Non-Executive Director.

b) Attendance Record for 2011-12:

Sl. No	Name of Director	Category	Meetings attended	Attendance at last AGM on 21.09.2011	Remarks
1.	G M Surana	Non-Executive	5	Present	-
2.	O Swaminatha Reddy	Independent Non-executive	5	Present	-
3.	R Surender Reddy	Independent Non-executive	5	Present	-
4.	S R Vijayakar	Independent Non-executive	3	Present	-
5.	Dr R.N. Sreenath	Independent Non-executive	4	Present	-
6.	Narender Surana	Executive	5	Present	-
7.	Devendra Surana	Executive	5	Present	-
8.	Manish Surana	Executive	5	Present	-

c) Number of other Directorships, Committee Membership(s) & Chairmanship(s) as on 31st March, 2012:

Sl. No.	Name of the Director	Other Directorship	Other Committee Membership	Other Committee Chairmanship
1.	G M Surana	11	1	1
2.	O Swaminatha Reddy	12	1	4
3.	R Surender Reddy	7	2	4
4.	S R Vijayakar	1	1	None
5.	Dr R.N.Sreenath	5	1	None
6.	Narender Surana	24	2	None
7.	Devendra Surana	27	2	None
8.	Manish Surana	16	None	None

d) Number of Board Meetings held and the date on which held:

A total of 5 Board Meetings were held during the year as against the minimum requirement of 4 meetings.

The dates on which the Board meetings were held are:

29.04.2011	05.08.2011	21.09.2011	12.11.2011	28.01.2012
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e) Pecuniary relationship or transactions of Non-Executive Directors:

Apart from receiving sitting fees for attending the Board and Audit Committee Meetings, the Non-Executive Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of such Directors.

3) Audit Committee**Composition, name of members and Chairperson:**

The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive Directors and majority being the Independent Directors:

1. O Swaminatha Reddy - Chairman
2. G M Surana - Member
3. R Surender Reddy - Member
4. S R Vijayakar - Member

Terms of reference:

The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.



- The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
 - i. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by Management
 - iv. Significant adjustments made in the financial statements arising out of Audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors, any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 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.
- 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.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of one Non-Executive Director and three Non-Executive Independent Directors as Shri O Swaminatha Reddy who is heading the Audit Committee as Chairman having rich experience and professional knowledge in Finance, Accounts and Company Law, the members always added the value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

Meetings and Attendance:

During the year, the audit Committee meetings were held on the following dates:

29.04.2011	05.08.2011	12.11.2011	28.01.2012
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Attendance Record - 2011-2012

Sl No	Name of the Director	No. of Meetings Attended
1	Shri O Swaminatha Reddy	4
2	Shri G M Surana	4
3	Shri R Surender Reddy	4
4	Shri S R Vijayakar	2

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the shareholders regarding Audit and Accounts.

4) Remuneration Committee:

The Company has constituted remuneration committee during the financial year 2011-2012.

Terms of Reference:

The terms of reference stipulated by the Board to the Remuneration Committee are as follows:

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Managing/Whole-time Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding their performance

Composition, Name of the Chairman and Members:

1. Shri R Surender Reddy - Chairman
2. Shri O Swaminatha Reddy - Member
3. Shri S R Vijayakar - Member

The Committee met once on 28.01.2012 during the Financial Year 2011-12 and all the members were present at the meeting.

5) Remuneration to Non-executive Directors

The Company pays sitting fees to all the Non-executive Directors at the rate of ₹ 3,000/- for each meeting. The details of Sitting Fees paid to the Non-executive Directors for attending Board Meetings and Committee meetings during the Financial Year 2011-12 are as follows:

Sl. No.	Name of Director	Commission	Sitting Fees paid (₹)
1	Shri G M Surana	-	27,000
2	Shri O Swaminatha Reddy	-	30,500
3	Shri R Surender Reddy	-	30,500
4	Shri S R Vijayakar	-	18,500
5	Dr. R N Sreenath	-	12,000
	Total		1,18,500

No pecuniary relationship exists between the Company and its Independent Directors except for the Sitting Fees as mentioned above.



6) Remuneration to Executive Directors

Name of Director	Salary	HRA	Coveyance	Total
Shri Manish Surana	24,00,000	-	-	24,00,000
TOTAL				24,00,000

7) Shareholders Grievance Committee:

The Shareholders Grievance Committee constituted by the Board of Directors comprises of Shri G M Surana (Chairman), Shri Narender Surana and Shri Devendra Surana, inter-alia oversee the transfer of shares and redressal of shareholders / investors grievances and complaints regarding non-receipt of Dividends, Annual Reports, etc.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 6. There are no outstanding complaints as on 31st March, 2012.

The Committee has received 7,125 Shares for Transfers out of which 4,125 were approved and balance 3,000 were rejected. The committee received 750 Shares for Transmission and all the transmission of Shares were approved and there are no rejections. The committee has also received 48,560 shares requesting for conversion of physical shares into Dematerialisation, out of which 25,948 Shares were approved and balance 22,612 were rejected on account of mismatch of quantity. There were no transfers or transmissions or de-mat requests pending as on 31st March, 2012.

8. General Body Meetings:

i) Location and time for last 3 years General Meetings were:

Year	Locations	Date	Time
5th AGM (2010-11)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500 016.	21st September, 2011	11.30 A.M.
4th AGM (2009-10)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	10th August, 2010	12:00 NOON
3rd AGM (2008-2009)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	30th September, 2009	12:00 NOON
2010-11 (Court Convened Meeting of Creditors)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	13th April, 2010	10:00 A.M.
2009-2010 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	10th August, 2009	10.00 A.M
2008-2009 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	7th July, 2008	10:00 A.M
2008-2009 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	30th May, 2008	10.00 A.M
2008-2009 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad	14th May, 2008	10.30 A.M
2008-2009 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad	6th May, 2008	10.30 A.M

- ii) Special Resolutions passed in last 3 Annual General Meetings
- In the AGM held on 30th September, 2009 the Company has not passed any special resolution.
 - In the AGM held on 10th August, 2010, the Company has passed the special resolution for the following items:
 - a) Pursuant to section 31 of the Companies Act, 1956 and other applicable provisions if any, the Articles of Association of the Company be and is hereby altered by substituting and replacing new Clause 104 instead of existing Clause 104 as set out below under the head "The Seal".
 - b) Pursuant to the provisions of Section 16, 17 and other applicable provisions of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered by substituting and replacing new Clause III(A)(5) instead of existing Clause III(A)(5) as set out below under the head "MAIN OBJECTS".
 - In the AGM held on 21st September, 2011 the Company has not passed any special resolution.
- iii) Postal Ballot passed during the year 2011-12
- During the year 2011-12 the Company has not passed any resolution through postal ballot as per the provisions of Section 192 A of the Companies Act, 1956.

9. Disclosures:

- a) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature with the Promoters, the Directors or the Management, their subsidiaries, Group Companies or relatives etc., that may have potential conflict with the interest of the Company at large.
- None of the transactions with any of the related parties were in conflict with the interest of the Company.
- b) There were no strictures or penalties imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or any other statutory authority for non-compliance of any matter related to Capital Markets, during the last 3 years.
- c) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2012.

10. Means of Communication

Half yearly results sent to each household of shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Quarterly results sent to each household of shareholders	No, as the results of the Company are published in the Newspapers having wide circulation
Newspapers in which published	Business Standard- English Suryaa - Telugu
Website where the results and other official news releases are displayed	http: www.suranaventures.com
The presentations made to institutional investors or to the analysts.	nil



11. The Management Discussion and Analysis Report:

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.

12. General Shareholders Information:

Annual General Meeting : Date : 29th September, 2012
 Time : 11.30 A.M.
 Venue : Taj Tristar, 1-1-40,
 Seven Hills, Sarojini Devi Road,
 Secunderabad - 500 003

Financial Calendar : April 1st to March 31st

Date of Book Closure : 26th September, 2012 to 29th September,2012
 (both days inclusive)

Dividend Payment Date : 6th October, 2012

Listing on Stock Exchanges : 1. The Bombay Stock Exchange Ltd., Mumbai
 2. National Stock Exchange of India Limited,
 Mumbai

Stock Code : 533298 on BSE
 SURANAVEL on NSE

ISIN Number for NSDL & CDSL : INE272L01014

Market Price Data :

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr'11	50.75	37.15	50.00	43.25
May'11	50.50	42.65	48.00	42.75
Jun'11	48.00	40.85	48.40	40.50
Jul'11	43.90	35.00	42.50	37.05
Aug'11	39.95	28.25	40.35	27.00
Sep'11	37.75	27.00	35.20	27.55
Oct'11	30.25	23.10	29.70	22.00
Nov'11	30.00	18.20	28.60	16.50
Dec'11	21.95	16.05	22.95	16.50
Jan'12	22.25	17.50	24.95	17.10
Feb'12	22.45	17.20	22.00	18.20
Mar'12	24.00	17.25	25.50	17.55

Registrars & Transfer Agents

Applications for Share Transfers and Communication regarding Share Certificates, Dividends & Change of Address may be sent to:

M/s KARVY COMPUTERSHARE PRIVATE LIMITED,

17-24, VittalRao Nagar, Madhapur

Hyderabad - 500081

Phone # +91-40-44655000

Fax # +91-40-23420814, Toll Free No. 1800-3454-001

Email ID : einward.ris@karvy.com

Website : <http://www.karvy.com>

13. Share Transfer System:

Pursuant to the guidelines issued by the Securities and Exchange Board of India, vide circular number D&CC/FITTC/CIR-15/2002 dated 27.12.2002 regarding 'Appointment of Common Agency for Share Registry Work', the Board of Directors have appointed **M/s. KARVY COMPUTERSHARE PRIVATE LIMITED**, as Registrars & Share Transfer Agents.

The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the shareholder within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee, which meets every fortnight.

Pursuant to Securities and Exchange Board of India circular No. MRD/DoP/Cir-05/2009 dated 20.05.2009, it is mandatory to furnish PAN particulars for registration of physical share transfer requests. Therefore investors are requested to send the PAN particulars along with the share transfer deeds for effecting the physical share transfer.

As per the guidelines issued by SEBI, the R&T Agent is also offering transfer-cum-Demat facility, wherein after the share transfer is affected an option letter containing the details of the shares transferred is sent to the transferee. Any transferee who wishes to de-mat the shares may approach the Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the option letter, generate a Demat Request and send the same to the R & T Agent. On receipt, the R & T Agent confirms the request.

Any transferee not intending to dematerialize his shares need not exercise the option and the R&T Agent shall dispatch the share certificate after 30 days from the date of the Option Letter.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.



14. Shareholding Pattern as on 31st March, 2012:

Category	Total Shares	% To Equity
Promoters Bodies Corporate	1,02,42,379	41.63
Promoters	80,24,907	32.61
Resident Individuals	50,84,531	20.67
Foreign Institutional Investors	4,66,973	1.90
Bodies Corporate	4,46,807	1.82
HUF	1,40,343	0.57
Non Resident Indians	1,17,075	0.47
Overseas Corporate Bodies	43,875	0.18
Trusts	19,735	0.08
Mutual Funds	10,650	0.04
Banks	3,150	0.02
Clearing Members	2,875	0.01
TOTAL	2,46,03,300	100

15. Distribution of Share holding as on 31st March 2012:

Category (Amount)	No. of Cases	% of Cases
1 - 5000	7,537	85.15
5001 - 10000	669	7.56
10001 - 20000	351	3.97
20001 - 30000	82	0.93
30001 - 40000	55	0.62
40001 - 50000	20	0.23
50001 - 100000	56	0.63
100001 & Above	81	0.91
TOTAL	8,851	100.00

16. Dematerialization of shares & Liquidity

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL.

17. Share Dematerialisation Records:

2,38,05,312 shares representing 96.76% of the total equity capital were held in Dematerialized form with the National Securities Depository Limited and Central Depository Services Limited as on 31st March, 2012.

18. Outstanding GDR's / ADR's / Warrants or any convertible instruments, conversion date and likely impact on Equity:

The Company has not issued GDR's/ADR's/FCCB's till date and there are no Outstanding Warrants or any other convertible instruments that are pending conversion as on date.

19. Reconciliation of Share Capital Audit:

Practicing Company Secretary Smt Swathi Kowturu conducts the Secretarial Audit of the Company every quarter for a limited purpose of reconciliation of the total admitted capital with both the depositories (CDSL & NSDL) and the total issued and listed capital. The Quarterly Secretarial Audit Reports which were placed before the Board of Directors were also sent in time to both the Stock Exchanges where the Company's shares are Listed.

20. Plant Locations:

SOLAR PHOTOVOLTAIC DIVISION

1. Plot No. 212/3, Phase II, I.D.A., Cherlapally, Hyderabad-500 051.	2. Plot No.21, Ravirayal (Village) Maheswaram (Mandal) Rangareddy (Dist), Fabcity, Hyderabad
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NON-CONVENTIONAL ENERGY (WIND)

1. Kaladhon Village, Khatav Taluka, Satara Dist., Maharashtra.	2. Kurichampatti Village, V.K. Pudur Taluk, Tirunelveli Dist., Tamilnadu	3. Puliur Village, Tenkasi Taluk, Tirunelvel Dist, Tamilnadu.
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21. Address for Correspondence:

Sl.No.	Shareholders Correspondence for	Address
1.	Transfer / Dematerialization / Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	KARVY COMPUTERSHARE PRIVATE LIMITED 17-24, VittalRao Nagar, Madhapur, Hyderabad - 500081 Phone # +91-40-44655000 Fax # +91-40-23420814 Toll Free No. 1800-3454-001 E.mail : einward.ris@karvy.com Website : www.karvy.com
2.	Investor Correspondence/Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	SECRETARIAL DEPARTMENT M/s. Surana Ventures Limited 5th Floor, Surya Towers, S.P.Road, Secunderabad - 500 003, A.P., India Ph Nos. 27845119/ 44665700 E-mail: cs@surana.com investorservices_stl@surana.com Website: www.surana.com www.suranaventures.com



22. Depository Services:

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel : +91-022-24994200 Fax : +91-022-24972977/24976351 Email : info@nsdl.co.in.	Central Depository Services (India) Ltd Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023 Tel : +91-022-22723333/3224 Fax : +91-022-22723199/2272 Email : investors@cdslindia.com
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23. Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B (form 2B of concerned act) for this purpose.

24. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and to enhance the standards of Corporate Governance in the Company, and to strictly monitor and prevent Insider Trading within the Company, your Company has framed 'Code of Conduct'.

The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

25. Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:-

Name of Director	G M SURANA	DR. R N SREENATH	MANISH SURANA	HARISH NAIR
Expertise in specific functional areas	Shri.G.M.Surana, graduate in Commerce and law from Osmania University, is the Chairman of the Company and heads the Surana Group of Industries. He had around 45 Years of rich experience in the Ferrrous & Non- Ferrrous metal industry in his capacity as promoter, Director, Partner of the various units belongs to the Surana Group. Shri G.M Surana was the former Chairman of the Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), former Director of Indian Overseas Bank, former Director of Andhra Pradesh State Trading Corporation,(APSTC), besides being the Member of Govt. Advisory Board, Minimum Wages Board. He is actively involved in various philanthropic activities.	Dr R.N.Sreenath, has over 44 years of experience out of which 25 years of experience in Semiconductor technology and balance 19 years in Solar Photovoltaic Technology. BEL, Bangalore for Over 33 years from 1966 to 1999. He has served on the following companies as Senior Vice President and head of solar factory: 1. BEL, Bangalore : Over 33 years from 1966 to 1999. 2. Maharishi Solar Technology Pvt Ltd, New Delhi(factory in A.P): 13 years from 1999 to till date He has expertise in the following areas i) Capability to set up any discrete semiconductor project and successful productionisation. ii) Capability to set up Solar Photovoltaic project and successful productionisation. iii) Capability for Commercial exploitation of any of the Semiconductor and Solar Photovoltaic projects & products.	Shri Manish Surana holds a Bachelors degree in Business Management from ICFAI and is technologically savvy management graduate with multiple job experiences . He secured 99.42 % in CAT results and has a score of 700 points in GMAT. His internship/job profile includes the following: Surana Ventures Limited-2 years experience in Solar Industry. Handled various assignments in technical, marketing and finance areas Surana Telecom and Power Ltd - Helped in the establishment and commissioning of the power cable plant in the year 2006 with a total capacity 4000 cable kilometers. Bhagyanagar India Limited - NSE/BSE listed company with approx. \$150mm market. Worked as management executive overlooking financial and technical aspects at their 1.5 million square feet IT project site with a value of \$90 million.	Engineering graduate in Electronics and communication and has over 15 years of experience in Renewable Energy sector (Solar PV, Thermal), Power Electronics and R&D He has served on the following companies as head of department. 1. R&D head for M/s Ritika Systems Ltd 2. DGM in M/s Ajit solar Pvt Ltd 3. QA Head in M/s Photon Energy Systems Ltd. He was in charge for the designing and development of SPV Systems as per MINRE specs and worked for obtaining approvals for various types of solar PV systems and SPV Modules from MINRE and IEC. He has sound knowledge in setting up state of the art module assembly lines and during his stint with M/s Ajit Solar Private Limited and M/s Surana Ventures Limited he has successfully commissioned module lines of 100 MW and above. Besides he is having good exposure in designing and setting up of off-Grid and Grid tied Power Plants of MW capacities.
Date of Birth	08.11.1930	18.03.1941	08.08.1986	30.05.1976

(Contd.)



Particulars of Directors (Contd.)

Name of Director	G M SURANA	DR. R N SREENATH	MANISH SURANA	HARISH NAIR
Qualification	B.com, LL.B	M.Sc. Ph.D (I.I.S.C.)	BBM	B.E.,
List of Other Companies in which Directorship is held as on 31st March, 2012.	<ol style="list-style-type: none"> 1. Bhagyanagar Foods & Beverages Pvt. Ltd. 2. Surana Infocom Private Limited 3. Every time Foods Industries Pvt. Ltd. 4. Bhagyanagar Green Energy Limited 5. Scientia Infocom India Pvt. Limited. 6. Bhagyanagar Entertainment Limited 7. Bhagyanagar India Ltd. 8. Globecom InfoTech Pvt. Ltd. 9. Bhagyanagar Infrastructure Ltd. 10. Bhagyanagar Metals Limited 11. Bhagyanagar Entertainment & Infra Development Company Private Limited 	<ol style="list-style-type: none"> 1. Surana Telecom & Power Limited 2. Bhagyanagar India Limited 3. Udhaya Semiconductors Limited 4. USL Photovoltaics Pvt. Ltd 5. Maharishi Solar Technology Pvt. Ltd 	<ol style="list-style-type: none"> 1. Bhagyanagar Properties Private Limited 2. Bhagyanagar Foods and Beverages Pvt. Ltd. 3. Bhagyanagar Infrastructure Limited. 4. Bhagyanagar Metals Limited 5. Bhagyanagar Green Energy Limited 6. Bhagyanagar Ventures Private Limited. 7. Blossom Residency Private Limited. 8. Epicenter Entertainment Private Limited 9. Innova Biotech India Pvt. Ltd. 10. Innova Infrastructure Pvt. Ltd. 11. Majestic Logistics Private Limited 12. Metropolitan Ventures India Limited 13. Scientia Infocom India Private Limited 14. Site Tonic Websolutions Pvt. Ltd. 15. Corpmedia Publications India Pvt Ltd. 16. Stealth Energy Private Ltd. 	NIL
Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2012	<ol style="list-style-type: none"> 1. Bhagyanagar India Limited (Chairman Shareholder's Grievance Committee). 2. Bhagyanagar India Limited (Member Audit Committee). 	Surana Telecom and Power Limited(Member of Audit Committee)	NIL	NIL

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2011-12.

Place : Secunderabad
Date : 28th July, 2012

NARENDER SURANA
MANAGING DIRECTOR

AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To the Members of
Surana Ventures Limited
Secunderabad

We have examined the compliance of conditions of Corporate Governance by **Surana Ventures Limited** for the year ended 31.03.2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For and on behalf of
M/s. Sekhar & Co
CHARTERED ACCOUNTANTS
Firm Regd. No.003695 - S

Place : Secunderabad
Date : 28th July, 2012

G.GANESH
Partner
Membership No. 211704



MANAGEMENT DISCUSSION & ANALYSIS

Surana Ventures Limited was incorporated as a Company Limited by shares on 08.11.2006 and obtained "Certificate of Commencement of Business" on 30.11.2006 from the Registrar of Companies, Andhra Pradesh.

During the year 2008, the Company entered into the business of manufacture of solar energy systems with focus on solar PV Modules. In the same year, the Company became Joint Venture Company of M/s. Surana Telecom And Power Limited and M/s. Bhagyanagar India Limited, a pioneer in the power sector in India.

During the year 2009-2010, a Scheme of arrangement was entered by the Company with M/s Surana Telecom And Power Limited which was sanctioned by Hon'ble High Court of A.P. on 28.06.2010 and became effective on 28.07.2010, pursuant to which the "Solar Undertaking" was fused with the Company. The shares of the Company were listed on stock exchanges w.e.f 7th January, 2011.

The Company has manufacturing facilities at Cherlapally and FAB City in Hyderabad which have ISO 9001: 2000 certification accredited by AQA International LLC, Dubai. The Company's products and systems have been accorded approvals by various test agencies such as EURO TEST Laboratories, TUV INTER CERT and many more. The Company possesses excellent skills and capabilities in providing complete EPC solutions for large, commercial Solar Power Plants of Megawatt scale.

1. SOLAR PV MODULES:

1.1 INTRODUCTION:

The Company has manufacturing units at Fabcity, SEZ, Hyderabad and Cherlapally, Hyderabad. The manufacturing unit at Cherlapally has installed capacity of 40 MW and the manufacturing unit at Fabcity has installed capacity of 20 MW for manufacture of 'Solar Photovoltaic Modules'. The Company's products are sold under the brand 'Surana Ventures' in the domestic market. It

has system-driven processes for manufacturing products and operations, following quality process at every stage to ensure delivery of high quality products and services. The Company is manufacturing / assembling the following solar products:

- Solar Photovoltaic Modules
- Solar Street Light
- Solar Lantern
- Solar Emergency Light
- Solar Charge Controllers
- Solar Home Lighting

1.2 INDUSTRY ANALYSIS:

India is endowed with vast potential of solar energy, which when harnessed effectively can be addressed to a large-scale deployment of solar energy. Indian Government is adopting constructive steps towards implementing large-scale solar power projects and is poised to position itself as one of the world's major solar producer. Besides, it is quickly developing itself as the major manufacturing hub for solar power plants. Effective utilization of India's solar potential lies in the successful implementation of the Jawaharlal Nehru National Solar Mission (JNNSM) by the government. This mission would also help in mitigating the international pressure with regard to emission reductions and the Indian solar energy sector has been growing rapidly, in the past few years, majority due to Governments initiatives such as tax exemptions and subsidies. Due to technical potential of 5,000 trillion kWh per year and minimum operating cost, solar power is considered the best suited energy source for India. Solar Projects are the flavor of the season. Today, the solar power, has an installed capacity of 979 MW which is about less than 7 percent of the total installed renewable energy of India's currently total installed renewable energy stands at

13,242.41 MW as per MNRE. For the growth of the Solar industry the National Solar Mission (NSM) has laid out an ambitious goal to make India the global leader in solar energy, and plans to develop capacity of 20 GW by 2020.

India's power sector has a total installed capacity of approximately 1,46,753 MW of which, 54 percent is coal-based, 25 percent hydro, 8% percent is renewable and the balance is the gas and nuclear-based.

Power shortages are estimated at about 11 percent of total energy and 15 percent of peak capacity requirements, which is likely to increase in the coming years. The cost of production range is ₹15 to ₹ 20 per unit for the solar energy, which is very high when compared to, ₹ 2 to ₹ 5 per unit for other conventional sources in India.

Much of the country does not have an electrical grid, so solar power will indeed be a boon for water pumping, to begin replacing India's four to five million diesel powered water pumps, each consuming about 3.5 kilowatt of off-grid lighting. Solar energy technology consists of solar thermal technologies, which utilize sun's energy and solar photovoltaic technology, which convert solar energy directly into electricity.

According to the 11th five year plan, the government of India projects a massive expansion in installed solar capacity, and aims to reduce the price of electricity generated from solar energy, to match that from fossil fuels like coal and diesel by 2030. The MNRE has set up target to add 14,500 MW by the end 2012, from new and renewable energy resources out of which 50 MW would be from solar energy. India has received committed investments to the tune of \$7 billion and additional to come in through the FDI and private sector route.

India has been ranked 7th worldwide for solar photovoltaic (PV) cell production and secured 9th rank in solar thermal power generation. This capacity is growing rapidly due to the

entry of various private players in manufacturing of solar energy equipment.

According to the authors, the Indian solar energy sector is estimated to grow at 25 percent year on year in next few years. With this rate the global market is likely to exceed the annual production mark of 12 GW during the year 2012. Likewise, the Indian market demand is expected to reach 200MW by the year 2012.

Demand for solar products has been rapidly rising for the recent years, especially in rural areas, and is expected to continue growing substantially during our forecast period (2012-2013). Solar street lighting systems, home lighting systems, power plants, solar cookers, solar pumps and solar water heating systems are the most popular applications in India. The number of solar water heating systems is projected to grow at a CAGR of about 22% between 2011 and 2013. The humongous demand for the clean energy in the form of solar energy has made this particular sector lucrative for the business expansion. Our company sees a bright future in the solar energy sector as it requires large investment for the growth of production levels of renewable solar energy.

1.3 BUSINESS OUTLOOK:

As reported in last business plan the company has initiated action for setting up of 35 MW PV Cell line as backward integration for the existing manufacturing of Solar Modules. This was done to increase the margin in value chain and also to comply with NVVN requirement of using indigenously manufactured cells for power projects to be allotted under JNNSM. However, due to deterioration in the outlook for the sector mainly on account of European economic crisis, withdrawal of subsidy by some western countries and dumping of solar cells by China, the Company has taken conscious decision of deferring the implementation of the project till the situation improves for the cell manufacturing.



Looking forward, the Company's Business strategy shall be to focus on the following areas

- a) Continue with existing off-grid market with existing product mix and enlarge the market share.
- b) To increase the market share in on-grid market segment.
- c) To enlarge the export market.
- d) To improve the relationship with customers by frequent interaction and continuous visiting to their places.
- e) To establish a separate cell for taking care of customer grievances.
- f) To participate in exhibitions in India and abroad to get visibility.
- g) To set up small solar power projects of 1-5 MW capacity under REC mechanism.

2. NON CONVENTIONAL ENERGY:

2.1 INTRODUCTION:

India's energy consumption is increasing at one of the fastest rates in the world due to population growth and economic development. As a part of its Corporate Social Responsibility and in view raising global concerns over Global warming, the Company in the year 2009-10 has forayed into the non conventional energy sector with a wind power project with an initial installed capacity of 1 MW at Tiruvaveli, Tamilnadu State. The Company is committed to its social responsibility and endeavours to consistently expand its generation capacity. In 2009-10 the Company has added another 1.65 MW Wind Turbine Generator at Satara, Maharashtra State, making the total installed capacity at 2.65MW/Annum.

In 2010-11, the Company installed 0.75 MW Wind Turbine Generator at Tenkasi in Tamilnadu state which was commissioned on 29.09.2010. This takes the overall installed capacity to 3.40 MW.

2.2 INDUSTRY ANALYSIS:

Historically, actual power generation capacity additions in the conventional power sector in India has fallen significantly short of government targets. For the renewable energy sector, the opposite has been true, and it has shown a tendency towards exceeding the targets set in the five-year plans. This is largely due to the booming wind power sector. Given that renewable energy was about 2% of the energy mix in 1995, this growth is a significant achievement even in comparison with most developed countries. This was mainly spurred by a range of regulatory and policy support measures for renewable energy development that were introduced through legislation and market based instruments over the past decade. Today India is in fifth position globally in wind power generation and Wind energy is the fastest growing renewable energy sector in the country. With a cumulative deployment of over 13,000 MW capacity, it accounts for nearly 70% of the installed capacity in the renewable energy sector in the country. The states with highest wind power concentration are Tamil Nadu, Maharashtra, Gujarat, Rajasthan, Karnataka, Madhya Pradesh and Andhra Pradesh.

Renewable energy is now 10.9% of installed capacity, contributing about 4.13% to the electricity generation mix, and wind power accounts for 70% of this installed capacity. Currently the wind power potential estimated by the Centre for Wind Energy Technology (C-WET) is 49.1 GW, but the estimations of various industry associations and the World Institute for Sustainable Energy (WISE) and wind power producers are more optimistic, citing a potential in the range of 65-100 GW.

MNRE during the year 2011-12 introduced a Generation Based Incentive (GBI) Scheme to help more Independent Power Producers (IPPs) enter the arena. A GBI of ₹ 0.50 per kWh, with a cap of approximately \$33,000 per MW per year, totalling \$138,000 per MW over 10 years of a project's life is being offered under this scheme. The GBI is over and above

the tariff approved by The Science and Engineering Research Council (SERC) and will be disbursed on a half yearly basis through the Indian Renewable Energy Development Agency (IREDA).

The next FY presents a promising future for the growth of renewable energy technologies in general. The Indian market is emerging as one of the major manufacturing hubs for wind turbines in Asia. Currently, seventeen manufacturers have an annual production capacity of 7,500 MW. According to the WISE, the annual wind turbine manufacturing capacity in India is likely to exceed 17,000 MW by 2013. The Indian wind industry has not been significantly affected by the financial and economic crises. Even in the face of a global slowdown, the Indian annual wind power market has grown by almost 68%.

2.3 BUSINESS OUTLOOK:

The Company currently has an overall installed capacity of 3.40 MW comprising of 3 wind turbines of 1 MW, 1.65 MW and 0.75 MW capacity respectively. During the current financial year, the Company generated ₹ 2.07 crores of revenue as against ₹ 1.10 crores as of the previous year.

3. RISKS AND CONCERNS

The Company's businesses and operations are subject to a variety of risks and uncertainties which are no different from any other Company in general and our competitors in particular. Such risks are the result of both the business environment within which the Company operates and other factors over which there is little or no control. These risks can be categorised as operational, financial, environmental, health and safety, political, market-related and strategic risks. The Company has sufficient risk management policies in place that act as an effective tool in minimising the various risks that the businesses are exposed to during the course of their day-to-day operations as well as in their strategic actions.

4. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The Company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

The Company has an Internal Audit System commensurate with its size and nature of business. M/s Luharka & Associates, a firm of Chartered Accountants, are acting as Internal Auditors of the Company. Periodic reports of Internal Auditors are reviewed in the meeting of the Audit Committee of the Board. Compliance with laws and regulations is also ensured and confirmed by the Internal Auditors of the Company. Standard operating procedures and guidelines are issued from time to time to support best practices for internal control.

5. FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

The financial performance of the Company for the year ended 31.03.2012 is summarized below

5.1 Financial Performance:

Capital Structure:

The Equity Share Capital of the Company as on 31st March 2012 is ₹ 24,60,33,000/- comprising of 2,46,03,300 Equity Shares of ₹ 10/- each fully paid.

Reserves and Surplus:

The Reserves and Surplus of the Company for the current year is ₹ 1790.79 lakhs as compared to ₹ 1901.66 lakhs in the previous year.

Fixed Assets:

During the year, the Company has added Fixed Assets amounting to ₹ 236.20 lakhs



making the gross fixed assets as on 31.03.2012 to ₹ 3393.75 lakhs.

Inventories:

Inventories amounted to ₹ 2911.48 lakhs as on 31st March, 2012 and in the previous year is ₹ 2735.22 lakhs.

Sundry Debtors:

Sundry Debtors amounted to ₹ 402.95 lakhs as on 31st March, 2012 as against ₹ 486.36 lakhs in the previous year.

Cash and Bank Balances:

Cash and Bank balances with Scheduled Banks amounted to ₹ 202.83 lakhs as on 31st March, 2012 which includes amounts deposited with banks as Security and margin Money Deposit.

Long Term Loans and Advances:

Long Term Loans and Advances amounted to ₹140.29 lakhs as on 31st March, 2012 as against ₹ 140.67 lakhs in the previous year.

Short Term Loans and Advances:

Short Term Loans and Advances amounted to ₹ 1177.12 lakhs as on 31st March, 2012 as against ₹ 1048.59 lakhs in the previous year.

Current Liabilities:

Current Liabilities amounted to ₹ 3507.15 lakhs as on 31st March, 2012 as against ₹ 3483.83 lakhs in the previous year.

5.2. Operational Performance:

Turnover:

During the year 2011-12, the gross turnover of the Company is ₹ 7266.86 lakhs and 10233.89 Lakhs in the previous year.

Other Income is ₹ 120.56 lakhs as on 31st March, 2012 and ₹ 191.17 lakhs in the previous year.

Depreciation:

The Company has provided a sum of ₹ 216.59

lakhs towards depreciation for the year and ₹ 166.75 lakhs in the previous year.

Net Profit:

The Net Profit of the Company after tax is ₹ 32.11 lakhs and the profit for the previous year is ₹ 1645.32.

Earnings per Share:

Basic Earnings per Share for the year ended 31.03.2012 is ₹ 0.13 for Face Value of ₹ 10/- and ₹ 6.69 per share for the previous year.

6. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, which would enable them to adapt to contemporary technological advancements.

Industrial Relations during the year continues to be cordial and the Company is committed to maintain good industrial relations through negotiations, meetings etc.

As on 31st March 2012, the Company has a total strength of 88 employees.

7. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's Objectives and Expectations may be "Forward-Looking Statements" within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's Operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, technological obsolescence, changes in the Government Regulations and Policies, Tax Laws and other Statutes and other incidental factors.

Auditors' Report

To
The Members of
Surana Ventures Limited

1. We have audited the attached Balance Sheet of **Surana Ventures Limited** as at March 31, 2012, the Profit and Loss Account and the Cash flow statement for the year ended on that date and annexed thereto. These Financial Statements are the responsibility of the Management. Our Responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hence forth referred to as the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (hence forth referred to as the "Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with Accounting Standards referred to in sub-section (3C) of Section 211 of the "Act".
 - e. on the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the "Act".
 - f. 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 Significant Accounting Policies and notes thereon give the information required by the "Act" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in case of Profit and Loss Account, the profit / loss for the year ended on that date; and
 - iii. in case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Sekhar & Co.
Chartered Accountants
Firm Regn No : 003695 -S

G. Ganesh
Partner

Place: Secunderabad
Date: 30th April 2012 Membership No: 211704



Annexure to the Auditors' Report

The Annexure referred to in the auditors' report to the members of **Surana Ventures Limited** ("the Company"), on the financial statements for the period ended 31st March 2012, we report that:

1) Fixed Assets

- a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets
- b) The Company has conducted physical verification of fixed assets during the year. In our opinion, this physical verification is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) During the period, the Company has discarded certain items of its fixed assets. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption.

2) Inventories

- a) The inventories have been physically verified by the company during the period. In our opinion the frequency of such verification is reasonable.
- b) The procedures for the physical verification of Inventories followed by the management are reasonable and adequate to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification between physical stocks and the book records are not material.

3) Loans to and from Parties (Companies, firms or such other parties) listed in the register maintained under section 301 of the Act, hence forth referred to as parties, amounts in Lakhs of Rupees.

- a) The company has not granted any loans to the parties listed in the register maintained under section 301 of the act hence we have not reported on the clauses 3(b)- 3(d) of the order.
- b) The company has taken loan from 2 parties during the year. The Maximum

amount involved and the year end outstanding are ₹2803.00 lakhs and ₹1703.00 Lakhs respectively.

- c) In our opinion the terms of interest and other terms and conditions on which the loan has been taken from such parties are not *prima facie* prejudicial to the interest of the Company.
 - d) The company is regular in payment of principal amounts as stipulated and has been regular in payment of interest.
- ### 4) Internal Control:-
- In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.
- ### 5) Arrangement &/ Transactions with parties covered under Section 301 of the Act.
- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
 - b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of ₹ Five Lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- ### 6) Deposits from Public:
- In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits covered under Section 58A and 58AA of the Act.
- ### 7) Internal Audit:
- In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- ### 8) Cost Records:
- We have broadly reviewed the books of account maintained by the company

pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Act in respect of products sold by the Company and are of the opinion that *prima facie*, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.

9) Statutory Dues :

- a) According to the information and explanations given to us and on the basis of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, Investor Education and Protection Fund, Service tax, Cess and material statutory dues have been deposited regularly but for some minor delays during the year by the company with the appropriate authorities.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Investor Education and Protection Fund, Service Tax, Cess and other material statutory dues which were in arrears as at March 31, 2012 for a period more than six months from the date they became payable.
 - c) According to the information and explanations give to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Excise Duty and such other taxes that have not been deposited with appropriate authorities on account of disputes.
- 10) Accumulated Losses & Cash Loss:** As on date of Balance Sheet there are no accumulated Losses and the company has not incurred any cash loss during the year or the immediately preceding financial year.
- 11) Dues to Banks and Financial Institutions:** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers or to any financial institutions. The

Company did not have any outstanding debentures at the end of the year.

- 12) Loans on Security of Shares, debentures and other Securities:** The Company has maintained adequate records for the loans granted loans and advances on the basis of security of shares and properties.
- 13) Nidhi chit fund Companies:** In our opinion and according to the information and explanations given to us the company is not a nidhi/mutual benefit fund/society.
- 14) Dealing in/Trading in Securities:** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- 15) Guarantees on behalf of others:** In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- 16) Usage of Term Loans:** In our opinion the term loans raised during the year are applied for the purpose they are raise.
- 17) Usage of Short Term Funds:** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term investment.
- 18) Preferential allotments:** The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- 19) Debentures:** The Company has not raised any money by issue of debentures during the year.
- 20) Public Issue:** The Company has not raised any money by public issues during the year.
- 21) Fraud:** According to the information and explanations given to us, no material fraud on the Company has been noticed or reported during the course of the Audit.

For Sekhar & Co.

Chartered Accountants
Firm Regn No : 003695 -S

G. Ganesh
Partner

Place: Secunderabad

Date: 30th April 2012 Membership No: 211704

**Balance Sheet as at 31st March, 2012**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share Capital	2.1	246,033,000	246,033,000
Reserves and surplus	2.2	179,079,210	190,165,680
		<u>425,112,210</u>	<u>436,198,680</u>
(2) Non-current liabilities			
Long-term borrowings	2.3	1,597,554	4,336,218
Deferred tax liabilities (Net)		4,411,411	3,897,611
(3) Current liabilities			
Short-term borrowings	2.4	250,172,823	153,743,481
Trade payables	2.5	41,970,539	82,373,800
Other current liabilities	2.6	44,125,259	81,063,677
Short-term provisions	2.7	14,447,290	31,202,825
TOTAL		<u><u>781,837,086</u></u>	<u><u>792,816,292</u></u>
II. ASSETS			
(1) Non-current assets			
Fixed assets			
(a) Tangible assets	2.8	263,158,751	272,199,195
(b) Intangible assets	2.9	16,971,381	21,421,445
(c) Capital work-in-progress		12,861,585	5,286,238
Non-current investments	2.10	200,000	200,000
Long-term loans and advances	2.11	14,028,824	14,066,582
Other non-current assets	2.12	-	17,778
(2) Current assets			
Inventories	2.13	291,147,727	273,522,008
Trade receivables	2.14	40,295,112	48,635,970
Cash and cash equivalents	2.15	20,283,487	18,320,510
Short-term loans and advances	2.16	117,712,043	104,859,289
Other current assets	2.17	5,178,177	34,287,277
TOTAL		<u><u>781,837,086</u></u>	<u><u>792,816,292</u></u>

Significant accounting policies and notes on accounts (1&2)

As per our report of even date attached

For Sekhar & Co

Chartered Accountants

Firm's Regn. No. 003695-S

For Surana Ventures Limited**G. Ganesh**

Partner

Membership No : 211704

G. M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad**Date :** April 30, 2012**Manish Surana**

Director Fin & Tech

Biswaranjan Subudhi

Company Secretary

Statement of Profit and Loss for the year ended 31st March 2012

(Amount in ₹)

Particulars	Note No.	For the year 31.03.2012	For the year 31.03.2011
INCOME			
I Revenue From Operations (net)	2.18	726,686,397	1,023,389,192
II Other Income	2.19	12,055,754	19,116,889
III Total Revenue		738,742,151	1,042,506,081
IV EXPENSES			
Cost of materials consumed	2.20	534,392,826	735,349,642
Changes in inventories of finished goods, work-in-progress and stock in trade	2.21	(555,767)	(50,220,735)
Manufacturing Expenses	2.22	78,345,328	55,299,887
Employee benefit expenses	2.23	26,047,163	16,358,683
Finance costs	2.24	35,593,280	23,162,226
Depreciation and amortisation expenses	2.25	22,306,534	17,322,850
Other expenses	2.26	30,800,918	30,636,204
Total expenses		726,930,282	827,908,757
V Profit before exceptional and extraordinary items and tax		11,811,869	214,597,324
VI Amortisation of Intangible assets		7,385,064	7,140,481
VII Prior Period Adjustment		-	(11,219)
VIII Profit before Extraordinary Items and Tax		4,426,805	207,468,062
IX PROFIT BEFORE TAX		4,426,805	207,468,062
X TAX EXPENSE			
(a) Current tax Expense		800,000	41,400,000
(b) Deferred tax Expense		513,800	3,639,092
(c) MAT tax Expense/ (Credit)		(97,816)	(2,102,811)
XI PROFIT AFTER TAX		3,210,820	164,531,781
XII Earning Per Equity Share			
(a) Basic		0.13	6.69
(b) Diluted		0.13	6.69
Significant accounting policies and notes on accounts (1&2)			

As per our report of even date attached

For Sekhar & Co

Chartered Accountants

Firm's Regn. No. 003695-S

For **Surana Ventures Limited****G. Ganesh**

Partner

Membership No : 211704

G. M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad**Date :** April 30, 2012**Manish Surana**

Director Fin & Tech

Biswaranjan Subudhi

Company Secretary

**Cash Flow Statement for the year ended 31st March, 2012**

(Amount in ₹)

Particulars	2011-12	2010-11
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and after interest as per profit and loss account	4,426,805	207,468,062
Adjustments for :		
Depreciation	21,659,057	16,675,373
Aamortisation of Lease Rent	647,477	647,477
Aamortisation of Good will and other intangible assets	7,385,064	7,140,481
Preliminary Exp written off	17,778	17,778
Sundry Balance written off	2,605,455	19,030
Sundry Balance written back	(906,073)	(55,124)
Interest Paid	35,593,280	23,162,226
profit on sale of fixed assets	(2,240,823)	-
Interest, Rent & Dividend received	(7,896,043)	(9,161,431)
	<u>56,865,172</u>	<u>38,445,810</u>
Operating profit before Working Capital Changes	61,291,977	245,913,872
Adjustments for :		
Inventories	(17,625,719)	(78,990,316)
Loans and Advances	22,119,509	(16,395,966)
Changes in Other Current Assets	29,791,405	4,363,594
Receivables	5,735,404	(24,567,342)
Trade Payables and other liabilities	(17,277,990)	(62,233,419)
	<u>22,742,609</u>	<u>(177,823,449)</u>
Cash generated from operations	84,034,586	68,090,423
Adjustments for :		
Direct Taxes paid for Current year (Net)	(7,164,945)	(41,081,373)
	<u>(7,164,945)</u>	<u>(41,081,373)</u>
NET CASH FROM OPERATING ACTIVITIES	76,869,641	27,009,050
CASHFLOW FROM INVESTING ACTIVITIES		
Dividend Received	472,150	-
Interest Received	6,741,588	9,161,431
Purchase of Fixed Assets	(31,195,206)	(83,385,477)
Sale of Fixed assets	9,659,590	-
Capital advances	(30,489,789)	(76,475,200)
Net Cash Flow/(outflow) From Investing Activities	(44,811,667)	(150,699,246)

(Contd.)

Cash Flow Statement (Contd.)

(Amount in ₹)

Particulars	2011-12	2010-11
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in secured Loans	29,495,677	36,138,363
Increase in Unsecured Loans	64,195,000	87,229,182
Repayment of Debentures	(60,000,000)	-
Interest Paid on borrowings	(35,095,765)	(23,162,226)
Dividend paid	(28,689,910)	-
Cash Generated from Financial Activities	(30,094,998)	100,205,319
NET CASH GENERATED/(UTILISED)	1,962,976	(23,484,877)
Reconciliation : See Note 2 & 3 below		
Opening Cash and Cash Equivalent	18,320,510	41,805,387
Closing Cash and Cash Equivalent	20,283,486	18,320,510
Net Increase/(decrease) in Cash & Cash Equivalents	1,962,976	(23,484,877)

Notes

- The above cash flow statement has been prepared under the 'Indirect method' as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India and Ministry of Corporate Affairs.
- The Cash and Cash Equivalents as per the Balance Sheet

	2011-2012	2010-2011	Change Over previous Year
Cash in Hand	166,382	330,584	(164,202)
Balances with Banks	19,661,817	17,937,135	1,724,682
Accrued interest on fixed deposits with Banks	455,287	52,791	402,496
TOTAL	20,283,486	18,320,510	1,962,976

- Previous figures are regrouped wherever required to make comparable with current year.
- The following items of cash and Cash Equivalents are not available as free balances to the company.

Balances with Banks	2011-12	2010-11
In Dividend account	492,383	-
Maturity of Deposits less than 12 months	10,930,862	8,233,666
Accrued interest on fixed deposit with banks	455,287	52,791

- Notes to Accounts forms an integral part of Cash Flow Statement.

In terms of our report of even date attached

For Sekhar & Co

Chartered Accountants

Firm's Regn. No. 003695-S

G. Ganesh

Partner

Membership No : 211704

Place : Secunderabad

Date : April 30, 2012

For **Surana Ventures Limited****G. M. Surana**

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Manish Surana
Director Fin & Tech**Biswaranjan Subudhi**
Company Secretary



1. Significant Accounting Policies

i. Basis of Preparation of Financial Statements

The financial statements of Surana Ventures Limited ('the company') have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis.

The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 issued by Ministry of Corporate Affairs. Previous period's figures have been recast/restated to conform to the classification required by the Revised Schedule VI.

ii. Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

iii. Own Fixed Assets

Fixed Assets are stated at cost net of modvat/cenvat/value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

iv. Leased Assets

Premium Paid on Leased Assets is amortized over the lease period and the annual lease rentals are charged to Profit and Loss Account in the year it accrues.

v. Deferred Revenue Expenditure

Expenses which in the opinion of the management will give a benefit beyond three years are Deferred Revenue Expenditure and amortised over 3 to 5 years. Goodwill is amortised over period of 5 years and certification fees is amortised over a period of 3 years.

vi. Depreciation

Depreciation is provided on written down value method, except for Wind Power Plant for which Straight Line Method is followed, at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

vii. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

viii. Investments

Current investments are carried at the lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost less any permanent diminution in value, determined separately for each individual investment Provision for diminution in the value of long-term investments is made

only if such decline is other than temporary in the opinion of the management.

ix. 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 all cost of purchase including duties and taxes other than credits under CENVAT and is arrived on First in First out basis. Semi Finished goods are valued at cost or net realizable value whichever is lower. Finished goods are valued at cost including excise duty payable or net releasable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.

x. Foreign Currency Transactions

- Gains and Loses on account of exchange differences existing out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements , in so far as they relate to the acquisition of a depreciable capital asset can be added or deducted from the cost of asset and shall be depreciated over the balance life of asset and in other cases ,it can be accumulated in a "foreign currency monetary item transaction .Difference Account" in the enterprises financial statements and amortized over the balance period of such long asset/liability.
- In respect of Purchases / Sales in normal course of business, the Gain / Loss is charged to Profit and Loss Account.

xi. Employee Retirement / Terminal Benefits

The employees of the company are covered under Group Gratuity Scheme of Life Insurance Corporation of India. The premium paid thereon is charged to Profit and Loss Account. Leave Encashment liability is provided on the basis of actuarial valuation on actual entitlement of eligible employees at the end of the year.

xii. Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

xiii. Turnover

Turnover includes sale of goods, services, sales tax, service tax and adjusted for discounts (net). Inter-Unit sales are excluded in the Main Profit and Loss account.

xiv. Revenue Recognition

Dividend income is recognized when the unconditional right to receive the income is established. Income from sale of VER is accounted as and when sold to customers.

xv. Government Grants

Grants received against capital items carrying cost of asset is adjusted against the cost of the asset on actual receipt of the money from the government.

Assets received as grant free of cost are recorded at nominal value of ` .1 transfer of possession.



Compensation / Reimbursement of specific revenue items are adjusted in the year of receipt against the respective revenue items on receipt basis.

xvi. Segment Reporting

Company's operating Businesses, organized & Managed unit wise, according to the nature of the products and services provided, are recognized in segments representing one or more strategic business units that offer products or services of different nature and to different Markets.

Inter-Segment transfers are done at cost.

Company's Operations could not be analyzed under geographical segments in considering the guiding factors as per Accounting Standard-17 (AS-17) issued by the Institute of Chartered Accountants of India.

xvii. Provision for Taxation

Provision is made for Income Tax, estimated to arise on the results for the year, at the current rate of tax, in accordance with the Income Tax Act, 1961. Taxation deferred as a result of timing difference, between the accounting & taxable profits, is accounted for on the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax asset is recognized only to the extent there

is reasonable certainty of realization in future. Deferred tax assets are reviewed, as at each Balance Sheet date to re-assess realization.

xviii. Prior Period Expenses / Income :

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount. Extraordinary items & changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

xix. Sundry Debtors, Loans and Advances

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

xx. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note : 2.1			
SHARE CAPITAL			
a. Authorized			
5,00,00,000 (March 31, 2011 : 5,00,00,000) equity shares of ₹ 10/- each.			
TOTAL		500,000,000	500,000,000
b. Issued, subscribed and paid-up capital			
2,46,03,300 (March 31, 2011 : 2,46,03,300) equity shares of ₹ 10/- each fully paid up			
TOTAL		246,033,000	246,033,000

Notes: Historical data of Equity Share Capital in past five years

		<u>Year</u>	<u>No. of Shares</u>
Year of incorporation		2006-07	50,000
Private Placement to Promoters & Group Companies		2007-08	950,000
Private Placement to Promoters & Group Companies		2008-09	14,000,000
Reduction on Conversion to Debentures	2.1(a)	2010-11	(6,000,000)
Allotment pursuant to scheme of merger	2.1(b)	2010-11	15,603,300
Total share capital			24,603,300

- 2.1 (a)** On scheme of merger, the shares of promoters and Group companies have been reduced to the extent of 60,00,000 by converting into debentures and the same were to be redeemed after a period of 18 Months from the date of issue.
- (b)** Out of which 1,56,03,300 shares have been allotted to the shareholders of M/s Surana Telecom and Power Limited in consideration of merger of its Solar Division as per the scheme of arrangement in the year 2011 as approved by the High Court of Andhra Pradesh.
- (c)** Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below.

Name of the Shareholder	As at March 31, 2012		As at March 31, 2011	
	%	No of shares	%	No of shares
Bhagyanagar India Limited	23.52	5,787,946	23.52	5,787,946
Surana Telecom and Power Limited	17.92	4,410,000	17.92	4,410,000
Narender Surana	10.79	2,656,927	10.79	2,656,927
Devendra Surana	9.24	2,273,020	9.24	2,273,020



Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note : 2.2			
RESERVES AND SURPLUS			
(a) General Reserves			
Balance as per the last financial statements		50,000,000	-
Add : Transfer from Debenture Redemption reserve		60,000,000	-
Add : Transferred from surplus		25,000,000	50,000,000
Closing Balance		135,000,000	50,000,000
(b) Debenture Redumption Reserve			
Balance as per the last financial statements		60,000,000	15,000,000
Add : Created out of profits of the year		-	45,000,000
Less : Transferred to General reserve		60,000,000	-
Closing Balance		-	60,000,000
(c) Surplus			
Balance as per the last financial statements		80,165,680	39,323,809
Add: Profit for the year		3,210,820	164,531,781
Amount available for appropriation		83,376,500	203,855,590
Less : Appropriations			
Proposed equity Dividend		12,301,650	24,603,300
Tax on Proposed equity dividend		1,995,640	4,086,610
Transfer to General Reserve		25,000,000	50,000,000
Transfer to Debenture Redemption Reserve		-	45,000,000
Net Surplus in the statement of Profit and loss		44,079,210	80,165,680
TOTAL		179,079,210	190,165,680

Note : 2.3**LONG-TERM BORROWINGS****Secured**

Car loan from Bank	2.3 (a)	1,597,554	4,336,218
TOTAL		1,597,554	4,336,218

Notes: Car Loan from Bank:

2.3 (a) Car loan from Axis Bank Ltd is secured against hypothecation of car. The loan was taken during the financial year 2010-11 and is repayable in monthly installment of ₹ 2,28,222/- each. Accordingly due with in a year is Rs 27,38,664/- which is classified under current liabilities.

Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note: 2.4			
SHORT-TERM BORROWINGS			
Unsecured			
(a) Loans and advances from related parties	2.4 (a)	170,375,000	106,180,000
Secured			
(a) Cash Credit from Bank	2.4 (b)	26,935,651	47,563,481
(b) Buyers Credit from Bank		52,862,172	-
TOTAL		250,172,823	153,743,481

Notes:

2.4 (a) Loan from related Parties		Balance as	Balance as
Name of the Company		on 31.03.12	on 31.03.11
Bhagyanagar India Ltd		150,000,000	80,000,000
Value Infrastructure & Properties Pvt Ltd		20,375,000	26,180,000
TOTAL		170,375,000	106,180,000

2.4 (b) Cash Credit & Buyer's Credit from banks

Cash Credit & Buyer's Credit from scheduled Banks is secured by hypothecation of stock, Trade receivables and first pari-passu charge on specific fixed assets of the company. Further, it has been guaranteed by the Managing Director and Director.

Note: 2.5**TRADE PAYABLES**

Sundry Creditors - Others	41,970,539	82,373,800
TOTAL	41,970,539	82,373,800

Notes: In case of Trade payables, Letters seeking confirmation of year-end balances are sent to the respective parties. Hence the Balances are subject to confirmation and reconciliation. Further, as per the information about the industrial status of the creditor there are no dues to any micro and small enterprises under the micro small and medium enterprises development act 2006.

**Notes to Balance Sheet**

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note: 2.6			
OTHER CURRENT LIABILITIES			
(a) Current maturities on long term debt (Secured)			
- Debentures	2.6 (a)	-	60,000,000
- Car Loan from Axis Bank Ltd		2,738,664	2,738,664
(b) Unclaimed dividends		492,383	-
(c) Provision for interest on Buyer's Credit from Banks	2.6 (b)	497,515	-
(d) Other Liabilities		2,550,372	4,516,336
(e) Advance from Customers		37,846,324	13,808,677
TOTAL		44,125,258	81,063,677

Notes: Debentures

2.6 (a) in lieu of scheme of merger, 60,00,000 Non-convertible secured debentures of ₹ 10/- each were issued and the same were to be redeemed after a period of 18 months from the date of issue. Accordingly, the debentures were redeemed in the current financial year.

2.6 (b) Provision for interest on Buyers Credit from banks has been made on proportionate basis.

Note: 2.7**SHORT-TERM PROVISIONS**

(a) Provision for employee benefits-Bonus		150,000	500,000
(b) Provision for Taxation (Previous year net of advance tax & TDS)		-	2,012,915
(c) Proposed Equity Dividend	2.7 (a)	12,301,650	24,603,300
(d) Provision for Tax on Proposed equity Dividend		1,995,640	4,086,610
TOTAL		14,447,290	31,202,825

Note: Proposed Equity Dividend

2.7 (a) The Board of Directors have recommended a dividend of ₹0.50/- per share for the year ended 31st March, 2012 (Previous Year ₹ 1/- per share)

Notes to Balance Sheet

Note: 2.8 & 2.9 TANGIBLE AND INTANGIBLE ASSETS

DESCRIPTION	AT COST			DEPRECIATION/AMORTISATION			NET BOOK VALUE			
	As at 01.04.11	Additions during the year	Deletions during the year	As at 31.03.12	Up to 01.04.11	Provided during the year	Deletions during the year	Up to 31.03.12	As at 31.03.12	As at 31.03.11
i) Tangible Assets										
Freehold land	6,321,397	-	-	6,321,397	-	-	-	-	6,321,397	6,321,397
Leasehold land	20,287,626	-	-	20,287,626	647,477	647,477	-	1,294,954	18,992,672	19,640,149
Factory Building	20,892,654	-	-	20,892,654	4,342,483	1,655,017	-	5,997,500	14,895,154	16,550,171
Plant & Machinery	186,284,200	-	-	186,284,200	8,912,498	9,835,806	-	18,748,304	167,535,896	177,371,702
-Wind Power	46,282,093	18,477,604	6,098,457	58,661,240	7,402,792	6,518,503	257,366	13,663,928	44,997,311	38,879,301
Plant & Machinery	616,802	-	-	616,802	85,797	73,863	-	159,660	457,142	531,005
Electrical Installation	647,611	463,734	-	1,111,345	81,250	103,883	-	185,133	926,212	566,361
Office Equipment	17,594	15,565	-	33,159	2,142	4,063	-	6,205	26,954	15,452
Furniture & Fittings	826,100	28,500	-	854,600	326,394	210,845	-	537,239	317,361	499,706
Computer	13,791,322	1,699,456	2,676,064	12,814,714	1,967,371	3,257,078	1,098,386	4,126,063	8,688,651	11,823,951
Vehicles	295,967,399	20,684,859	8,774,521	307,877,737	23,768,204	22,306,534	1,355,752	44,718,986	263,158,751	272,199,195
SUB TOTAL (A)										
ii) Intangible Assets										
Goodwill (Refer note:1)	28,561,926	-	-	28,561,926	7,140,481	7,140,481	-	14,280,962	14,280,964	21,421,445
Certification & License (Refer note:2)	-	2,935,000	-	2,935,000	-	244,583	-	244,583	2,690,417	-
SUB TOTAL (B)	28,561,926	2,935,000	-	31,496,926	7,140,481	7,385,064	-	14,525,545	16,971,381	21,421,445
GRAND TOTAL (A+B)	324,529,325	23,619,859	8,774,521	339,374,663	30,908,685	29,691,598	1,355,752	59,244,531	280,130,132	293,620,640
Previous Year	243,908,213	81,221,112	600,000	324,529,325	6,445,352	24,463,333	-	30,908,685	293,620,640	-

Notes: 1. Goodwill was created upon scheme of merger of Solar Division of Surana Telecom and Power Ltd, is to be amortised over a period of 5 years beginning from the year 2009-10.

2. Represents the amount spent for obtaining the IEC Certificate for testing of PV Modules and is to be amortised over a period of 3 years beginning from the Current Financial Year.



Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note: 2.10			
NON-CURRENT INVESTMENTS			
Non -trade Investments (Valued at cost, unless otherwise specified)			
Investment in equity instruments (unquoted)			
a) Investmnet in companies under the same management 20000 (March 31, 2011: 20000) equity shares of ₹ 10/- each of Solar World Exchange Pvt Ltd (fully paid up)		200,000	200,000
TOTAL		200,000	200,000
Note: 2.11			
LONG-TERM LOANS AND ADVANCES			
(Unsecured, considered good)			
(a) Security Deposits Deposits		1,400,000	1,416,000
(b) Loans and advances to related parties Loans to Associate	2.11 (a)	-	119,575
(c) Others Minimum alternate Tax credit entitlement		12,628,823	12,531,007
TOTAL		14,028,823	14,066,582
Note: Loan to associate company			
2.11 (a) Name of the company		Balance as on 31.03.12	Balance as on 31.03.11
Solar World Exchange Pvt Ltd		-	119,575
Note: 2.12			
OTHER NON-CURRENT ASSETS			
Preliminary expenses not written off			
Opening balance		17,778	35,556
Less:Written off during the year		17,778	17,778
TOTAL		-	17,778
Note: 2.13			
INVENTORIES			
(As taken, Valued & Cerfied by the Management)			
(Valued at lower of cost or net realizable value)			
a) Raw materials		224,290,204	208,984,858
b) Work-in-progress		32,569,000	37,377,172
c) Finished Goods		32,523,917	27,159,978
d) Material-in-Transit		1,764,606	-
TOTAL		291,147,727	273,522,008

Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note: 2.14			
TRADE RECEIVABLES			
(Unsecured, considered good unless stated otherwise)			
(a) Aggregate amount of Trade Receivables outstanding for a period less than six months	2.14 (a)	22,966,100	45,063,109
(b) Aggregate amount of Trade Receivables outstanding for a period exceeding six months	2.14 (b)	17,329,011	3,572,861
TOTAL		40,295,111	48,635,970
Note: Trade Receivables			
2.14 (a) Previous year's figures include ₹ 53,47,380/- which was receivable from a company in which directors are interested.			
2.14 (b) Includes ₹ 53,47,380/- receivable from related party in which Directors are interested.			
(c) In case of Trade receivables letters for confirmation of year end balances are sent. Hence, the balances as on the date of Balance Sheet are subject to confirmation and reconciliation.			
Note: 2.15			
CASH AND BANK BALANCES			
(a) Balance with banks			
- in current account		8,238,572	9,703,469
- in unclaimed dividend account		492,383	-
(b) In Fixed Deposit Account			
- Maturity of deposits less than 12 months		10,930,862	8,233,666
(c) Cash on hand		166,382	330,584
(d) Accrued interest on Fixed Deposits with Banks		455,287	52,791
TOTAL		20,283,486	18,320,510
Note: 2.16			
SHORT-TERM LOANS AND ADVANCES			
(Unsecured, considered good, Unless otherwise stated)			
(a) Capital Advances			
Advance for machinery and other Capital items-Unsecured		52,489,789	76,475,200
Advance for machinery and other Capital items-Secured (Secured by way of Bank Guarantee of equal amount)		54,475,200	-
(b) Other Loans & advances			
Advance income tax & TDS (Net of Provisions)		4,346,899	-
Advances to suppliers		2,090,283	25,069,736
Other Advances		700,832	877,981
(c) Deposits			
E.M.D		3,363,840	2,274,372
Other Deposit		245,200	162,000
TOTAL		117,712,043	104,859,289

**Notes to Balance Sheet**

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2012	As at 31.03.2011
Note: 2.17			
OTHER CURRENT ASSETS:			
(Considered good unless otherwise stated)			
(a) Secured			
Loans Against pledge of Securities		5,178,177	31,206,958
(b) Un Secured			
Balances with statutory authorities		-	3,080,319
TOTAL		5,178,177	34,287,277

Notes to Statement of Profit and Loss

Particulars	Sub Note	For the year 31.03.2012	For the year 31.03.2011
Note: 2.18			
REVENUE FROM OPERATIONS			
Revenue			
From Solar Products		737,902,173	1,088,271,052
From Wind Power		20,695,175	11,028,550
Gross Revenue		758,597,348	1,099,299,602
Less: Inter-Unit Sales		31,910,951	75,910,410
Net Revenue from Operations		726,686,397	1,023,389,192

Note: 2.19**OTHER INCOME**

(a) Interest Income			
Interest on Loans, Deposits and Others		7,423,893	9,161,431
(b) Dividend Income		472,150	-
(c) Gain on foreign exchange fluctuation		-	9,834,402
(d) Miscellaneous Income		997,815	-
(e) Other non-operating income			
Profit on sale of fixed assets		2,240,823	-
Miscellaneous income		15,000	65,932
Balances no longer payable written back		906,073	55,124
TOTAL		12,055,754	19,116,889

Notes to Statement of Profit and Loss

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2012	For the year 31.03.2011
Note: 2.20			
Cost of Raw Material Consumed			
Opening Stock of Raw Materials		208,984,857	180,215,276
Add: Purchases including incidental charges		583,373,729	840,029,633
Less: Closing Stock of Raw Materials		224,290,204	208,984,857
Less: Material -in-Transit		1,764,606	-
Less: Inter-Unit Purchases		31,910,951	75,910,410
TOTAL		534,392,825	735,349,642
Note: 2.21			
CHANGES IN INVENTORIES			
Opening Stock- WIP		37,377,172	10,762,375
Opening Stock - Finished Goods		27,159,978	3,554,040
Less: Closing Stock -WIP		32,569,000	37,377,172
Less: Closing Stock-Finished Goods		32,523,917	27,159,978
TOTAL		(555,767)	(50,220,735)
Note: 2.22			
MANUFACTURING EXPENSES			
Consumption of stores and spare parts		6,504,441	8,692,379
Processing & conversion charges		23,644,629	9,531,385
Power and fuel		5,263,333	4,071,669
Packing & Forwarding		14,366,681	11,701,656
Taxes paid			
- Service Tax		246,371	53,158
- Sales Tax		15,801,169	19,962,999
Loss on Foreign exchange fluctuation		9,368,935	-
Repairs and Maintenance			
- Buildings		1,345,016	501,109
- Machinery		1,484,253	-
Testing Charges		320,500	785,532
TOTAL		78,345,328	55,299,887
Note: 2.23			
EMPLOYEE BENEFITS EXPENSE			
Salaries, wages and Bonus		22,440,414	14,796,339
Contribution to provident and other funds		1,235,802	739,782
Workmen and Staff welfare expenses		2,370,947	822,562
TOTAL		26,047,163	16,358,683

**Notes to Statement of Profit and Loss**

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2012	For the year 31.03.2011
Note: 2.24			
FINANCE COSTS			
(a) Interest Expenses			
On Unsecured loans		21,220,113	7,122,595
On Cash Credit & Buyer's Credit		6,756,923	448,597
On Debentures		600,000	7,200,000
On Car loan /Term loan		435,692	2,792,228
(b) Financial Charges		6,580,552	5,598,806
TOTAL		35,593,280	23,162,226

Note: 2.25**Depreciation and amortisation expenses**

Depreciation of tangible assets		21,659,057	16,675,373
Amortisation of intangible assets - Lease Premium		647,477	647,477
TOTAL		22,306,534	17,322,850

Note: 2.26**OTHER EXPENSES**

Director's Remuneration		2,400,000	1,516,129
Director's Sitting Fees		111,000	96,000
Commission on sales		1,817,210	1,048,528
Business Promotion		2,880,795	3,287,179
Lease Rent		120,000	70,000
Repairs and Maintenance to Others		448,595	909,955
Travelling & Conveyance		7,699,729	8,418,344
Vehicle maintenance and fuel		2,068,682	222,317
Insurance		1,344,550	1,693,165
Rates and taxes		277,961	440,489
Legal and Professional charges		1,900,233	5,893,200
Sundry balances written off		2,605,455	19,030
Auditor's Remuneration			
- for Statutory audit		120,000	120,000
- for tax audit		60,000	60,000
- for reimbursement of expenses		20,000	20,000
- Service tax on above		24,720	20,600
Miscellaneous Expenses		6,901,988	6,801,268
TOTAL		30,800,918	30,636,204

(All amounts in ₹ except share data and unless otherwise stated)

2.27. Commitments and Contingent Liabilities

	As at 31.03.12	As at 31.03.11
i. Commitments/ Contingent Liabilities		
a Guarantees issued by banks	2,208,000	30,000,000
b Letters of credit outstanding	12,930,255	62,952,255

2.28 Earnings per share (EPS)

Particulars	for the year ended 31.03.12 Basic and diluted	for the year ended 31.03.11 Basic and diluted
Net Profit after tax	32,10,820	164,531,781
Net Profit available for equity share-holders	32,10,820	164,531,781
No of Equity shares- Basic	24,603,300	24,603,300
Nominal Value of each equity share (₹)	10.00	10.00
Basic Earning per share	0.13	6.69

2.29 Deferred Tax liability

	As at 31.03.12	As at 31.03.11
Deferred tax adjustments recognised in the financial statements are as under		
Deferred tax liability as at the beginning of the year	3,897,611	258,519
Liability / (Asset) arising during the year	513,800	3,639,092
Deferred tax liability as at the end of the year	4,411,411	3,897,611

2.30 Related Party disclosures

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year

a. Companies where principal shareholders have significant influence

1. Bhagyanagar India Ltd.	11. Surana Infocom Pvt. Ltd.
2. Bhagyanagar Metals Ltd.	12. AP Golden apparels Pvt. Ltd.
3. Bhagyanagar Properties Pvt. Ltd.	13. Blossom Residency Pvt. Ltd.
4. Metropolitan Venuters India Ltd.	14. Epicentre Entertainment Pvt. Ltd.
5. Scientia Infocom India Pvt. Ltd.	15. Innova Biotech India Pvt. Ltd.
6. Bhagyanagar Infrastructure Ltd.	16. Innova Infrastructure Pvt. Ltd.
7. Green Energy Systems Pvt. Ltd.	17. Innova Technologies Pvt. Ltd.
8. Surana Telecom and Power Ltd.	18. Bhagyanagar Entertainment and Infra development Co. Pvt. Ltd.
9. Globecom Infotech Pvt. Ltd.	19. Majestic Logistics Pvt. Ltd.
10. GMS Realtors Pvt. Ltd.	



20. Advantage Real estate India Pvt. Ltd.	29. Sitetonic websolutions Pvt. Ltd.
21. Bhagyanagar Capital Pvt. Ltd.	30. Stealth Energy Pvt. Ltd.
22. Bhagyanagar Foods & Beverages Pvt. Ltd.	31. Shresht Energy Pvt. Ltd.
23. Bhagyanagar Energy & Telecom Pvt. Ltd.	32. Tranquil Avenues India Pvt. Ltd.
24. Bhagyanagar Entertainment Ltd.	33. Value Infrastructure & Properties Pvt. Ltd.
25. Bhagyanagar Ventures Pvt. Ltd.	34. Andhra Electro Galvanising works
26. Everytime foods Industries Pvt. Ltd.	35. Shahsons Pvt. Ltd.
27. Royal Skyscrapers India Pvt. Ltd.	
28. Surana Boichemicals Pvt. Ltd.	

b. Associate Companies

Solar World Exchange Pvt. Ltd.

c. Key Managerial Personnel

G.M Surana

Narender Surana

Devendra Surana

Manish Surana

d. The following is a summary of related party transactions

(Amount in ₹)

Particulars	For the year ended 31.03.12	For the year ended 31.03.11
i Sale of Goods	77,432,268	80,225,986
ii Purchase of Goods	23,617,007	178,442,785
iii Jobwork (Sales)	105,236,000	-
iv Jobwork (Purchases)	3,641,062	3,475,662
v Interest paid	21,195,826	7,112,939
vi Lease rent	120,000	70,000
vii Director's Remuneration	2,400,000	1,516,129
viii Loans/ advances taken	251,386,037	404,048,699
ix Loans/ advances repaid	187,191,037	297,868,699

e The following are the significant related party transactions

(Transactions exceeding 10% of total related parties transactions are disclosed here under)

	(Amount in ₹)	
i. Sale of Goods		
Surana Telecom and Power Ltd	70,544,020	53,973,773
Green Energy Systems Pvt Ltd	-	18,328,837
ii. Purchase of Goods		
Surana Telecom and Power Ltd	19,733,219	120,756,747
Green Energy Systems Pvt Ltd	-	42,944,624
iii. Jobwork (Sales)		
Surana Telecom and Power Ltd	105,236,000	-
iv. Jobwork (Purchases)		
Bhagyanagar Energy & Telecom Pvt Ltd	3,641,062	3,475,662
v. Interest paid		
Bhagyanagar India Ltd	19,624,084	5,544,008
vii. Loans/ advances taken		
Bhagyanagar India Ltd	206,931,037	268,699,379
Value Infrastructure & Properties Pvt Ltd	44,455,000	26,180,000
Surana Infocom Pvt Ltd	-	10,850,000
Surana Telecom and Power Ltd	-	98,319,320
viii. Loans/ advances repaid		
Bhagyanagar India Ltd	136,931,037	188,699,379
Value Infrastructure & Properties Pvt Ltd	50,260,000	-
Surana Infocom Pvt Ltd	-	10,850,000
Surana Telecom and Power Ltd	-	98,319,320

f. The company has the following amounts due to/ from related parties**I. (Due to related parties)**

Name of the Company	As at 31.03.12	As at 31.03.11
a) Bhagyanagar India Ltd	150,000,000	80,000,000
b) Value Infrastructure & Properties Pvt. Ltd.	20,375,000	26,180,000
TOTAL	170,375,000	106,180,000

II. (Due from related parties)

Name of the Company	As at 31.03.12	As at 31.03.11
a) Stealth Energy Private Ltd	5,347,380	5,347,380
TOTAL	5,347,380	5,347,380



2.31. Raw Material Consumed during the year

(Amount in ₹)

Raw Material	For the year ended 31.03.12	For the year ended 31.03.11
i. Solar Cells	296,455,821	502,741,342
ii. P.V Back Sheet	11,952,768	25,402,020
iii. T.T Glass	19,641,303	29,139,874
iv. E.V.A	18,242,104	14,650,459
v. Alluminum Channels	32,606,936	27,361,339
vi. Junction Boxes	11,857,900	7,594,160
vii. Inter Connector Strips	2,485,247	7,085,961
viii. Silicon wafer	29,608,349	67,527,597
iv. Others including incidental charges	111,542,398	53,846,890
TOTAL	534,392,826	735,349,642

Note: Others include ₹ 7,66,96,473/- lakhs Semi Finished Modules. Further, Material which are included in others do not individually exceed 10% of consumption.

2.32 Details of Imported and indigenous raw materials, spares and packing materials consumed

Particulars	For the year ended 31.03.12		For the year ended 31.03.11	
	Value	% of total Consumption	Value	% of total Consumption
Raw materials				
Imported	339,438,000	63.52	380,325,000	51.72
Indigenous	194,954,826	36.48	355,024,642	48.28
TOTAL	534,392,826	100.00	735,349,642	100.00

2.33 CIF Value of imports

	For the year ended 31.03.12	For the year ended 31.03.11
Raw Material	415,825,913	316,586,000
Capital Goods	11,405,345	16,408,212
TOTAL	427,231,258	332,994,212

2.34 Expenditure in foreign Currency

	For the year ended 31.03.12	For the year ended 31.03.11
Travelling	6,128,916	5,929,477
TOTAL	6,128,916	5,929,477

2.35 Earnings in foreign Currency

	For the year ended 31.03.12	For the year ended 31.03.11
Exports on FOB basis	67,178,851	137,648,691
TOTAL	67,178,851	137,648,691

2.36 Retirement and Other Employees Benefits

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue.

Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done by the Life Insurance Corporation of India. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

The following table summarises the components of Net Benefit expenses recognised in the Profit & Loss account and amount recognised in the Balance Sheet for the respective plans. (Amount in ₹)

Particulars	Gratuity
a. Expenses recognised in the Profit & Loss Account	
Current service cost	245,126
Interest cost	78,269
Expected Return on Planned assets	107,001
Net actuarial loss/ (gain) recognized in the year	(20,806)
b. Change in Present value of obligation during the year ended 31st March, 2012	
Present Value of obligation as at beginning of the year	978,358
Interest cost	78,269
Current service cost	245,126
Benefits Paid-Actuals	54,782
Expected Liability at the year end	1,246,971
Actuarial loss	(20,806)
Present Value of obligation as at end of the year	1,267,777
c. Change in fair value of Plan Assets during the year ended 31st March, 2012	
Fair value of Plan Assets as at the beginning of the year	1,224,311
Expected return on plan assets	107,001
Contributions	294,923
Benefits Paid	54,782
Actuarial gain/ loss on plan assets	-
Fair value of Plan Assets as at the end of the year	1,571,453
d. Actuarial Gain/ loss recognized	
Actuarial (gain) / loss for the year -Obligation	(20,806)
Actuarial (gain) / loss for the year -plant assets	-
Total Loss for the Year	(20,806)
Actuarial (gain) / loss recognized in the year	(20,806)



2.37. Segment Information

The company is in the business of manufacture and sale of solar products and Generation of wind Electricity. Considering the core activities of the company, management is of the view that there is no secondary segment.

(Amount in ₹)

Particulars	For the year ended 31.03.12	For the year ended 31.03.11
Segment Revenue (Net of Excise duty)		
a. Solar Products	705,991,222	1,012,360,642
b. Wind Power	20,695,175	11,028,550
Net Sales/Income from operations	726,686,397	1,023,389,192
Segmental Results		
(Profit before Tax & Interest)		
a. Solar Products	33,747,413	228,360,000
b. Wind Power	10,729,917	2,137,691
Total	44,477,330	230,497,691
Less: Interest		
Unallocable Expenditure	35,593,280	23,162,226
Net of unallocable Income	4,457,245	(133,000)
Total Profit before tax	4,426,805	207,468,465
Capital employed		
a. Solar Products	382,811,360	403,668,544
b. Wind Power	181,711,727	181,639,073
c. Unallocated	32,561,675	11,691,646
TOTAL	597,084,762	596,999,263

Previous years figures have been regrouped and recast wherever necessary to make them comparable with current year's figures.

As per our report of even date attached

For Sekhar & Co

Chartered Accountants

Firm Regn. No. 003695-S

For **Surana Ventures Limited**

G. Ganesh

Partner

Membership No : 211704

G. M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad

Date : April 30, 2012

Manish Surana

Director Fin & Tech

Biswaranjan Subudhi

Company Secretary

Green Initiative in Corporate Governance: Go Paper Less

The Ministry of Corporate Affairs has come up with a Green Initiative of permitting the service of documents including Annual Reports to the Shareholders through e-mail or other permissible electronic modes instead of physical mode vide its Circular No. 17/2011 dated 21 April 2011. This is certainly a welcome move for the society at large as this will reduce paper consumption to a great extent and allow all stakeholders to contribute towards a Greener Environment. To support this green initiative, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members e-mail registration form and register the same with Karvy Computershare Private Limited.

Members e-mail Registration Form

Name: e-mail:

Address:

.....

.....

DP ID : Client ID:

Folio No:

(in case of physical holding)

No. of equity shares held:



Signature

Members are requested to send this e-mail registration form to the Company's Registrar and Transfer Agents i.e., Karvy Computershare Private Limited at the below mentioned address.

M/s Karvy Computershare Private Limited

17-24, Vittal Rao Nagar,
Madhapur, Hyderabad-500 081



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ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM PAYMENT OF DIVIDEND

To,
KARVY COMPUTERSHARE PRIVATE LIMITED
Unit : Surana Ventures Limited.
Plot No. 17-24, Vitalrao Nagar, Madhapur,
Hyderabad - 500 081
Phone: 040-44655000, Fax: 040-23420814

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No. :	ECS Ref. No. : (for Office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Surana Ventures Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place :

Date :

Signature of First Holder

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to NSDL / CDSL as the case may be, through their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.

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SURANA VENTURES LIMITED

Registered Office : 5th Floor, Surya Towers,
S.P.Road, Secunderabad - 500 003.

ATTENDANCE SLIP

6th Annual General Meeting on 29th September, 2012.

DP.Id*
Client Id*

Reg. Folio No.

Name and Address of the Shareholder _____

No. of Share(s) held _____

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 6th Annual General Meeting of the Company on Saturday, the 29th September, 2012 at 11.30 a.m. at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500003.

** Member's/Proxy's name in Block Letters

** Member's/Proxy's Signature

Note : 1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.

2. NO GIFTS WILL BE GIVEN

* Applicable for Investors holding shares in electronic form.

** Strike out whichever is not applicable.

NO GIFTS WILL BE GIVEN



SURANA VENTURES LIMITED

Registered Office : 5th Floor, Surya Towers,
S.P.Road, Secunderabad - 500 003.

PROXY FORM

DP.Id*
Client Id*

Reg. Folio No.

I/We
of
being member/members of M/s. Surana Ventures Limited, hereby appoint
of
or failing him
of
as my/our proxy to vote for me/us on my/our behalf at the 6th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at 11.30 a.m. at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500003 and at every adjournment thereof.

Signed this day of , 2012.

Please
Affix Re.1/-
Revenue
Stamp

Note : 1. Proxy need not be a member.

2. Proxy Form, complete in all respects, should reach the Registered Office of the Company on or not later than 48 hours before the time for holding of the Meeting.

Signature

NO GIFTS WILL BE GIVEN



* Applicable for Investors holding shares in electronic form.

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INVESTOR INFORMATION

DIVIDEND

The Dividend at 5% (Rs.0.50/- per share) will be paid to the shareholders whose names appear on the Register of Members as on 26.09.2012 and to those shareholders whose names appear as Beneficial owners as on 26.09.2012 as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in Electronic Form.

PAYMENT OF DIVIDEND

Dividend, in case of shareholders availing the ECS Facility, will be credited directly into their Bank Accounts. Dividend warrants, in the case of shareholders not availing the ECS Facility, will be sent directly to their registered address and will be valid for a period of 6 months from the date of the warrant. After expiry of the said 6 months, the warrants shall be sent to the Registered Office of the Company for revalidation.

SHARE REGISTRY

The Registry of Physical Share Certificates is done by our Registrars and Transfer Agents, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500-081. The shareholders can send the shares for Transfer/ Transmission/ Split/Consolidation and Issue of Duplicate Share Certificates, Request for Change of Address to the above address. Intimation regarding change of address, in the case of holder of shares in physical form, may be sent to M/s KARVY COMPUTERSHARE PRIVATE LIMITED, at the above mentioned address and in the case of holders of shares in Electronic Form, to their Depository participants.

LISTING

The Company's shares are listed at Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

DEMATERIALISATION OF SHARES

The Shares of the Company are under compulsory dematerialised trading since 7th January 2011. The Company has entered into a tripartite agreement with the National Securities Depository Limited, Central Depository Services (India) Limited and the Company's Depository Registrars, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, for induction of the Company's shares into the depository system. The ISIN number allocated to the Company's securities is INE272L01014. Those shareholders, who have not dematerialised their shares, may send their shares / Option letters to the Company, through their Depository Participants with whom they hold an account, for getting the shares dematerialised.

QUALITY OBJECTIVE

An effective and clearly understood quality system by employees.

Teamwork to build-up quality consciousness amongst all our employees.

Continuous improvement in every activity for achieving excellence.

Timely corrective action to prevent anticipated factors affecting quality & productivity.

SURANA

**PRINTED MATTER
BOOK - POST**



If undelivered please return to:
Secretarial Department

SURANA VENTURES LIMITED

REGISTERED OFFICE:

5th Floor, Surya Towers

Sardar Patel Road, Secunderabad - 500 003, India

Tel: +91-040-27845119, 44665700, 27841198

Fax : +91-040-27818868

E-mail: surana@surana.com

Investor Complaints: cs@surana.com,

investorservices_svl@surana.com

Website: www.surana.com, www.suranaventures.com